OVERSTRAND MUNICIPALITY

BUDGET

BEGROTING

uHLAHLO LWABIWO MALI

2014/2015

MAYORAL SPEECH ON THE BUDGET AT THE COUNCIL MEETING ON 28 MAY 2014

Mr Speaker
Deputy Executive Mayor
Mayoral Committee Member for Finance
Councillors
The Municipal Manager
Officials
Ladies and gentlemen

I herewith present the 2014/15 budget for the Overstrand Municipality to Council for consideration and approval.

As you know, we have experienced very difficult economic circumstances since 2009 and a clear message came from our pensioners and people who live from the interest on their life savings, that they cannot afford sharp increases on rates and tariffs.

We are painstakingly aware also of the impact of our decisions on all inhabitants of Overstrand. We must however ensure that the Municipality remains financially sustainable

but also that municipal services are provided affordable to all communities. We are under constant pressure to maintain our level of service-delivery to the fast growing population of our area. According to the 2011 census, we are the 7th fastest growing municipality in terms of population in the country.

Mr Speaker, we are of the opinion that the Municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the Municipality is a strategic objective. We are renowned for the effectiveness and efficiency of our ward committee system, which we regard as our official channel for community consultation. Notwithstanding this, we advocate an open door policy.

Our current communication/consultation process can still be improved, but I am of the opinion that the voices of our residents and other stakeholders were heard. Although all of it might not be reflected in this budget, as due process must be followed, I can give you the assurance that they were noted.

The budgeting process already started in August last year when our communities (inter alia through Ward Committees) and the administration supplied us with their inputs and needs. At the beginning of the budget process, political guidance in principle were given on an increase in our basic service charges of only 6%, except for electricity where NERSA had given Eskom the right to increase their rates in excess of inflation.

Due to the increase in 2013/14 of more than 63 per cent in property rates on vacant land, I do recommend to Council **not to increase** the tariff applicable on vacant land for the 2014/15 financial year.

After numerous Budget Steering Committee meetings, where we had to seriously cut back on needs registered by the Ward Committees and administration, it was still very difficult to balance the expenses with the proposed increase in income.

From experience we also know that due to salary increases negotiated on national level and other costs where increases are above inflation, it will be difficult to keep increases in total

costs below inflation. (The official Inflation rate is currently on 6.1% for April 2014). When regard is had to the aforementioned, I need to recommend to Council to increase property rates with 15% for 2014/15. Exemptions and rebates as in the past will be applicable on residential properties to lessen the plight of the poor. There are also rebates applicable on guesthouses, B & B's and agricultural properties to stimulate economic development.

Note that in all instances the overall impact of the proposed tariff increases on households' bills has been kept below 9 per cent, with the increase for indigent households at 6,22 per cent.

I also recommend that other sundry fees to be charged, for example building plan fees, be increased with 10% as these costs are directly related to salary increases and does not affect the majority of rate payers.

Following articles in the press and also as noted during our public budget meetings in all wards, as well as in the comments on the draft budget, the following perspective regarding remuneration must once again be given -

- Employee related costs for the 2014/15 financial year totals R289 m which equals 33 per cent of the total operating expenditure. It is within the National Treasury norm of 25 – 40 per cent.
- Salary increases of 6,79 per cent for the 2014/15 financial year are based on a South African Local Government Bargaining Council Agreement to which SALGA (on behalf of the employers) and the SAMWU and IMATU Trade Unions (on behalf of the employees) are the stakeholders.
- Notch increases of between 2,39 per cent and 2,5 per cent also need to be implemented as a result of a collective agreement and contractual obligations.
- With effect from 1 July 2010, the Municipal Manager and Section 56 Employees' (Directors) remuneration is determined by an independent consulting firm appointed by the Employer to determine market related cost-to-employer remuneration packages which determination is based on market conditions that prevailed in March of the relevant year. The aforementioned employees receive no bonuses, which principle was negotiated with them. The average increase for

2014/15 amounts to 6,25 per cent – said officials do not receive notch increases.

- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account as a guideline in compiling the Municipality's budget. The increase for the current financial year amount to 7 per cent.
- As part of the Municipality's cost saving measures a R7,75m contingency has been provided on the salary budget. In addition expenditure against overtime and stand-by allowances was reconsidered and the implementation of shift systems is furthermore investigated. The Municipal Manager and Directors undertook to have a serious re-look at the salary budget but bearing in mind that service delivery must not be affected. I have the full cooperation of the Municipal Manager and the Directors to address this matter in the 2014/15 financial year.

Our final Budget for 2014/15 represents the following:

The total operating revenue of R784,474 million has grown by 5,53 per cent for the 2014/15 financial year when compared to the 2013/14 Adjustment Budget.

One of the reasons why this increase is lower than the tariff increases is that we have provided for a decrease in water consumption, which also affects our budgeted income from sewage.

The total operating expenditure for the 2014/15 financial year has been appropriated at R870 million.

When compared to the 2013/14 adjustment budget, the operating expenditure has grown with 4,97 per cent. This indicates a negative difference between income and expenses of R85,1 million. Due to non-cash items, one of the biggest items being depreciated by R109,2 million and other

cash flows as set out in the budget document, we will be left with a surplus cash budget of R3,7 million.

The capital budget of R97,721 million is 22,7 per cent less than the 2013/14 Adjustment Budget.

This is due to limited resources available. Although our long term planning is for at least R100 million per annum, we have spent considerable more than this target over the past 8 years.

So what are we achieving with this budget?

- We have managed to limit the increase of our consumer tariffs for water, sewer and refuse (solid waste) to 6 per cent.
- We have adopted a conservative approach when we projected our expected revenue and cash receipts. We

have thus budgeted for a small surplus on the operational budget in order to provide money from our own resources for capital expenditure during 2015/16.

- We will be able to maintain our spending on infrastructure maintenance.
- We will be maintaining cost containing measures to eliminate non-priority spending. As such we have clamped down on such spending – the decrease in the money provided for Grants-in-Aid and contributions towards festivals are testimony to this. As far as unfunded mandates are concerned, we will be doing away with the baboon monitor project as from 1 July 2014. We have entered into negotiations with certain instances and NGO's with the aim for them to take over the service. I sincerely hope that I will be able to make an announcement in this regard in the near future.

We have explained to the community the reasons why there are not enough resources to meet all the demands and indicated that the way forward will be focused on, but not limited to

- increasing productivity;
- increasing our efforts to receive more grants from National and Provincial Government;
- making land available to attract more investors; and
- appealing to the Department of Human Settlements to increase our subsidies for low cost housing to ensure that it does not put an additional burden on the Municipality.

The draft budget was assessed by a technical committee from the Western Cape Provincial Government who found the budget proposals to be credible and sustainable.

My opregte dank aan al die Raadslede, wykskomitees, lede van die publiek, die Voorsitter van die Finansies Portefeuljekomitee, Rdl Ben Solomon en die Munisipale Bestuurder, Coenie Groenewald vir hul insette in die begroting.

‘n Spesiale woord van dank aan die Direkteur: Finansies, Santie Reyneke-Naudé, die Senior Bestuurder: Finansiële Dienste en Begrotings, Bernard King en sy span, al die Direkteure en al die amptenare van die ander direktorate vir baie ure oortyd gewerk tydens die saamstel van die begroting.

‘n Verdere spesiale woord van dank aan die Direkteur: Bestuursdienste, Desireé Arrison en die Senior Bestuurder: Strategiese Dienste, Rochelle Louw vir die kwaliteit GOP wat ons weer eens ter tafel kon lê vir oorweging. Hou in gedagte

dat die GOP in-huis saamgestel is met die hulp van ‘n baie klein spannetjie.

In conclusion, headline news since yesterday, specifically that economists predicts that the South African economy is heading towards a recession, sketches a bleak picture for our forthcoming financial year. We will nonetheless endeavour, with strict financial discipline and continues efforts to increase our productivity, to render first class services to all our communities in the Overstrand.

Mr Speaker, I have pleasure in proposing the adoption of the 2014/15 Budget.

CLLR NICOLETTE BOTHA-GUTHRIE

EXECUTIVE MAYOR: OVERSTRAND

28 May 2014

Munisipaliteit • U-Masipala • Municipality
OVERSTRAND

ORDINARY MEETING OF THE COUNCIL

GEWONE VERGADERING VAN DIE RAAD

INTLANGANISO YESIQHELO YEBHUNGA

MINUTES / NOTULE / IMIZUZU

DATE / DATUM / UMHLA : 28 MAY / MEI / MEYI 2014
VENUE / PLEK / INDAWO: AUDITORIUM / OUDITORIUM / ODITHORIYAM
CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU HERMANUS
TIME / TYD / IXESHA: 11:00

OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

MINUTES OF A ORDINARY MEETING OF THE **COUNCIL**
HELD IN THE **AUDITORIUM**, CIVIC CENTRE,
HERMANUS**,** ON **28 MAY 2014,** AT **11:00**

PRESENT/ TEENWOORDIG Councillors were present as per attached attendance register.

OFFICIALS PRESENT/ AMPTENARE TEENWOORDIG

Mr C Groenewald, Municipal Manager
Ms S Reyneke-Naudé, Director : Finance
Mr S Müller, Director : Infrastructure & Planning
Mr N Michaels, Director : Protection Services
Mr R Williams, Director : Community Services
Ms D Arrison, Director : Management Services
Mr S Madikane, Director : Local Economic Development
Mr C le Roux, Deputy Director : Finance
Mr R Kuchar, Senior Manager : Town Planning & Property Administration
Mr F Myburgh, Senior Manager : Gansbaai Administration
Mr D Lakey, Senior Manager : Kleinmond Administration
Mr L Smith, Chief : Fire Services & Disaster Management
Ms E Hooneberg, Senior Manager : Income
Mr H Vorster, Senior Manager : Expenditure & Asset Management
Mr B King, Senior Manager : Financial Services
Ms V Allen, Manager : Financial Accounting
Ms R Louw, Manager : Strategic Services
Mr G Smit, Manager: Social Development
Ms G Bucchianeri, Manager : Budget Office
Mr L Tait, Accountant : Capital Budget
Ms L Botma, Accountant : Internal Control
Ms J Frank, Internal Auditor
Ms C Rossouw, Assistant Internal Auditor
Ms E Sales, Secretary, Dir: Infrastructure & Planning
Ms H van Tonder, Manager : Council Support Services
Ms S Swart, Administrative Officer : Council Support Services
Ms G Erasmus, Clerk : Auditorium
Ms D Laing, Relief Clerk : Auditorium & Administration

ALSO PRESENT/
OOK TEENWOORDIG

Members of the public and press were present.

MINUTES/....

OVERSTRAND MUNICIPALITY
ATTENDANCE REGISTER

COUNCIL MEETING
28 MAY 2014

ALDERMAN/COUNCILLORS	SIGNATURE
ANDREWS, M	
APPELGREIN, P	
BEYERS-CRONJE, L	
BOTHA-GUTHRIE, N	
BRICE, K	
COETSEE, A	
COETZEE, DP	
JANUARIE, JJ S	Apology
NQINATA, NNT	
KRIGE, L	
MACOTHA, VC	
MANDINDI, CQ	
MAY, P	
MSHENXISWA, M	
NELL, E	
NDEVU, L	
OPPERMAN, M	
PIE, MT	
PONOANE, MV	
PRINS, A	
SAPEPA, NM	
SCHOLTZ, PA	
SMITH, RJ	
SOLOMON, B	

1. OPENING

The Municipal Manager, Mr C Groenewald, read the notice convening the meeting.

2. APPLICATIONS FOR LEAVE OF ABSENCE

Cllr J J S Januarie

RESOLVED

that the above-mentioned leave of absence **be granted**.

5. CONSIDERATION OF RECOMMENDATIONS MADE BY THE EXECUTIVE MAYOR TO COUNCIL, IN TERMS OF SECTION 160(2) OF THE CONSTITUTION, 1996, AND SECTION 59(1)(a) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 OF 2000)

5.12
FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW 2014/15

(ITEM 5, PAGE 1 : MAYORAL COMMITTEE MEETING : 28 MAY 2014)

RESOLVED (UNANIMOUSLY):

that the final reviewed Integrated Development Plan (IDP) for 2014/15 **be approved**.

RESPONSIBLE OFFICIAL : **R LOUW**

TARGET DATE FOR IMPLEMENTATION : **1 JULY 2014**

5.13
WATER SERVICES DEVELOPMENT PLAN FOR 2014/2015

(ITEM 6, PAGE 6 : MAYORAL COMMITTEE MEETING : 28 MAY 2014)

RESOLVED (UNANIMOUSLY):

that the Water Services Development Plan for 2014/2015 **be approved**.

RESPONSIBLE OFFICIAL : **HANRE BLIGNAUT**

TARGET DATE FOR IMPLEMENTATION : **1 JULY 2014**

5.14
REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY

(ITEM 7, PAGE 12 : MAYORAL COMMITTEE MEETING : 28 MAY 2014)

CLLR M MSHENXISWA ENQUIRED ABOUT INSTANCES WHERE SERVICE METRES WERE REPLACED AT PROPERTIES WITHOUT THE OWNERS BEING INFORMED BEFOREHAND, IN TERMS OF THE RELEVANT POLICY. THE SPEAKER RULED THAT CLLR MSHENXISWA PROVIDE THE MUNICIPALITY WITH PARTICULARS OF THESE INSTANCES BY NOT LATER THAN 10 JUNE 2014 AND THAT THE MUNICIPAL MANAGER GIVE A FULL REPORT IN THIS REGARD ON OR BEFORE 30 JUNE 2014.

CLLR MSHENXISWA, ON BEHALF OF THE ANC, REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS AT 12:00.

THE MEETING RECONVENED AT 12:15.

THE SPEAKER ANNOUNCED THAT CLLR L KRIGE RECUSED HERSELF FROM THE MEETING DUE TO PERSONAL CIRCUMSTANCES.

RESOLVED (UNANIMOUSLY):

that the revised policies **be approved** and implemented with effect from 1 July 2014.

RESPONSIBLE OFFICIAL : **S REYNEKE-NAUDE**

TARGET DATE FOR IMPLEMENTATION : **1 JULY 2014**

5.15
FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2014/2015

(ITEM 8, PAGE 242 : MAYORAL COMMITTEE MEETING : 28 MAY 2014)

THE EXECUTIVE MAYOR DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THE MINUTES

CLLR MSHENXISWA, ON BEHALF OF THE ANC, REQUESTED THE MEETING TO ADJOURN FOR A CAUCUS WITH THE MUNICIPAL MANAGER AT 12:40

THE MEETING RECONVENED AT 12:55

RESOLVED (UNANIMOUSLY):

1. that, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2014/15 to 2016/2017 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

Schedule 1:	Budgeted financial performance (revenue & expenditure by municipal vote) **(page 250 of the agenda)**
Schedule 2:	Budgeted financial performance (revenue by source & expenditure by type) **(page 251 of the agenda)**
Schedule 3:	Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source **(page 252 of the agenda)**
Schedule 4:	Budgeted financial position **(page 253 of the agenda)**
Schedule 5:	Budgeted cash flow **(page 254 of the agenda)**
Schedule 6:	Cash backed reserves and acc. surplus reconciliation **(page 255 of the agenda)**
Schedule 7:	Asset management **(page 256 of the agenda)**
Schedule 8:	Basic service delivery measurement **(page 257 of the agenda)** Asset management **(page 256 of the agenda)** Basic service delivery measurement **(page 257 of the agenda)**

2. that the property rates reflected in **Annexure A, pages 260-263 of the agenda, be imposed** for the budget year 2014/15;

3. that tariffs and charges reflected in **Annexure A, pages 264-291 of the agenda, be approved** for the budget year 2014/15;

4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the third year of the approved lending programme for an external loan of R40 million;

5. that the following schedules **be noted**:

   Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification) **(page 258 of the agenda)**
   Schedule 10: Budgeted capital appropriations by municipal vote **(page 259 of the agenda)**

6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures G and H respectively of the budget report; and

7. that **cognisance be taken** of the 2014/2015 Budget Report.

RESPONSIBLE OFFICIAL : BA KING

TARGET DATE FOR IMPLEMENTATION : 1 JULY 2014

The meeting adjourned at 13:17

_____ _____

DATE **THE SPEAKER – A COETSEE**

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2014/2015

5/1/1/16-2014/2015
BA King (028) 313 8154 Head Office Administration
15 May 2014

1. Executive Summary

This report presents Overstrand Municipality's proposed budget for the 2014/2015 to 2016/2017 MTREF (Medium Term Revenue and Expenditure Framework) period.

The comprehensive budget report is presented as Annexure C to this report.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Finance
Department: Accounting Services and Budget Office

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
The encouragement of structured community participation in the matters of the municipality
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) (MFMA)
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

6. Background/Discussion/Evaluation/Conclusion

Council noted the draft budget for 2014/15 as tabled on 20 March 2014. The budget was then presented to the community and other spheres of government for comments as required by legislation.

Comments received from the community arising from the statutory IDP/Budget public consultation process have been taken into consideration for purposes of preparing this report. The comments received and the

municipality's responses are listed in Annexure B to this report. Letters of comment are included in Annexure G of the budget report.

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The LG MTEC 3 engagement with the Provincial Treasury and Provincial Department of Local Government was held on 29 April 2014. The assessment report is included as Annexure H of the budget report.

Proposed amendments to the 2014/15 draft budget are summarised in paragraph 6.3 of this report and details of amendments are included in Annexure A of the budget report.

6.1 2014/15 Budget

1. Overview

National Treasury issued the following circulars regarding the budget for 2014/15 and budget formats and content:

- MFMA Circulars No. 70 & 72: 2014/15 MTREF dated 3 December 2013 and 11 March 2014 respectively.
- MFMA Circular No. 71: Uniform Financial Ratios and Norms dated 17 January 2014.
- MFMA Budget Guide – Version 1: March 2011

The guidelines, as set out in these budget circulars, were taken into consideration during the compilation process of the budget.

Schedules 1 – 8, attached to this report, are submitted for budget approval and schedules 9 & 10 are submitted for noting by Council. Other tables, charts and supporting schedules are included in the budget report.

The Service Delivery and Budget Implementation Plan (SDBIP) will be submitted to the Executive Mayor for approval no later than 28 days after the approval of the budget.

Accounting Standards

New and revised accounting standards were incorporated in the budget.

6.2 Executive Summary of the 2014/15 Budget Proposals

1. 2014/15 Revenue Budget: The proposed revenue budget for 2014/15 is R820 841 811. This includes amounts of R34 233 829 for capital grants and R2 134 088 for Public Contributions. The budgeted financial performance by vote (directorates), is reflected in Schedule 1 and the budgeted financial performance in terms of revenue by source is reflected in Schedule 2.

2. 2014/15 Operating Expenditure Budget: The proposed operating expenditure budget for 2014/15 is R869 588 449. This includes depreciation and provision for post-retirement benefits amounting to R121 140 432 (non-cash items), of which the major portion for depreciation relates to unbundled assets with the implementation of GRAP, resulting in the expenditure exceeding revenue. The budgeted financial performance by vote (directorates) is reflected in Schedule 1 and the budgeted financial performance relating to expenditure by type is reflected Schedule 2.

3. 2014/15 Capital Budget: The total proposed final capital budget for 2014/15 is R97 720 534. Capital budget votes and the funding thereof are reflected in Schedule 3 of this report and a list of projects is included in Annexure E of the budget report.

4. Proposed increases to property rates, tariff and user charges:

The proposed tariffs, property rates and user charges for 2014/15 are included as Annexure A of this report. Examples of increases in the tariff baskets relating to a variety of consumers are included in Annexure D of the budget report.

The proposed increases for average household consumption for the coming financial year (2014/15) are as follows:

Table 1 : Average tariff increases	**2014/15**	**2013/14**
Property rates: Residential	15%	4,05%
Electricity	7,8%	8,43%
Water	6%	18,23%
Sewerage tariffs	6%	8.83%
Refuse tariffs	6%	8,53%

Business and Farm/Agriculture property rates are set to increase by 15% and undeveloped erven by 0%.

Further details of the 2014/15 budget proposals can be found in the Budget Report.

6.3. Proposed amendments to the 2014/15 draft budget

1. 2014/15 Operating Revenue & Expenditure Budget: The following changes are proposed:

Table 2 : Revenue

REVENUE AMENDMENTS AFFECTING THE BOTTOM LINE FOR 2014/2017

Item	2014/2015	2015/2016	2016/2017
DRAFT BUDGET	**821 923 894**	**894 825 992**	**943 254 857**
Public Contribution (S4S)	51 000		
Public Contr. Friedrich Naumann Foundation for Freedom	100 000		
Eskom Solar Rebate	1 083 088		
Housing Allocation Reduction-Transferred to 2013/2014	(2 316 171)		
FINAL BUDGET	**820 841 811**	**894 825 992**	**943 254 857**

Table 3 : Expenditure

OPERATIONAL EXPENDITURE AMENDMENTS AFFECTING THE BOTTOM LINE FOR 2014/2017

Item	2014/2015	2015/2016	2016/2017
DRAFT BUDGET	**869 426 452**	**953 780 173**	**1 015 457 750**
Salary Budget Reductions	(564 968)	(3 580 076)	(3 684 012)
Savings on S57 Employees	(62 435)	(86 106)	(112 748)
Contracted Services (Magistrate for Municipal Court)	263 542		
Interest Paid-Finance Leases	6 704		
Interest Paid-External Loans	620 898	781 476	669 169
Housing Re-allocation (Ex Cap.)	183 000		
Workmen's Compensation Act	460 256	487 871	517 144
Ward Projects (Trf. Capex/Opex)	255 000		
Audit Costs	500 000		
FMG-Trf. to Capex	(566 000)		
MSIG-Trf. to Capex	(934 000)		
FINAL BUDGET	**869 588 449**	**951 383 338**	**1 012 847 304**

2. 2014/15 Capital Budget: The following changes are proposed:

Table 4 : Capital Expenditure

CAPITAL BUDGET AMENDMENTS 2014/17

	2014/2015	2015/2016	2016/2017
DRAFT BUDGET	**92 972 346**	**86 162 000**	**81 218 000**
Public Contribution (S4S)	51 000		
Electrification of Housing Projects-Developers Contr.	4 670 571		
Swartdamweg (Housing Re-allocation)	11 459		
Gansbaai Project-155 Sites (Transferred to 2013/2014 budget)	(2 510 630)		
Upgrading of Sewer Pump Stations	1 000 000		
Replacement of Water Pipes	(1 000 000)		
Ward Projects (Trf. Capex/Opex)	(255 000)		

Eskom Solar Rebate	1 083 088		
FMG (Transfer from Opex) – EMIS	566 000		
MSIG (Transfer from Opex) – EMIS	934 000		
Finance Leases - Time & Attendance Devices	197 700		
FINAL BUDGET	**97 720 534**	**86 162 000**	**80 118 000**

Further details and comments relating to the proposed changes can be found in Annexure A of the budget report.

3. Tariffs

The following amendments and improvements are proposed:

Refuse (Solid Waste)

Tariff Code	Detail	Description
SAN1	Add Line: Domestic Waste	Defining categories consistent with By-law
SAN1	Add Line: Business Waste	Defining categories consistent with By-law

Sundry Tariffs:

Tariff Code	Detail	Exclude Vat	Include Vat
S1	**BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE**		
S1J4A	Kelp Collectors pm	2,713.20	3,093.05
S1J4B	Kelp Collectors pa	27,102.00	30,896.28
S1J4C	Kelp Collectors per launch	175.44	200.00

S1	**BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE**		
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00
S1J7A2	Recreational Fishing Vessels < 7m per Launch	52.63	60.00
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	526.32	600.00
S1J7A4	Recreational Fishing Vessels > 7m per Launch	65.79	75.00
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00
S1J7B2	Commercial Fishing Vessels > 7m pa	631.58	720.00
S1J7B3	Commercial Fishing Vessels > 7m per launch	74.56	85.00

S15	**CEMETERY**		
Note	Grave Depths - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.		
S15A1	All cemeteries - single grave	474.56	541.00
S15A2	All cemeteries - Double graves - depth for two coffins	736.84	840.00
S15A3	Double grave next to each other	949.12	1,082.00
S15A4	Children under 12years	356.14	406.00

S28	**LIBRARY**		
DELETE:			

S28J	Use of Internet Per 30 minutes subject to Telkom Price Increases	12.28	14.00

S28	**LIBRARY**		
S28A5	Copies: A4/Page	2.63	3.00
S28L1	Hire of Library Hall per Hour - Fundraising event	109.65	125.00
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	19.30	22.00

S34	**PROPERTY ADMINISTRATION**		
S34B1	Application for purchase / lease of Municipal Property (***excluding Sport Facilities/Stalls and organs of state***)	1,929.83	2,200.00
S40	**RENTAL: COMMUNITY HALLS**		
S40A5	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00
S40E7	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00
S40J6	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00

S46	**RENTAL: OFFICE**		
S46A1	Rental per m² / pm (except the Hermanus area)	43.86	50.00
S46A2	NGO's/NPO's per m² / pm	26.32	30.00

S49	**RENTAL: UNDEVELOPED SERVICED ERVEN (NEW TARIFF)**		
S49A	Wetcore Stands – rent per month	26.32	30.00

7. Financial Implications

This report addresses the final proposals for the 2014/15 MTREF for the operational and capital budgets, financial position and cash flows. The key financial implications and challenges of adopting these proposals are the ability to generate revenue in the current economic climate and the continued delivery of sustainable services.

8. Staff Implications

A salary budget savings contingency of R7,75m of the total salary budget has been included in the budget proposals. This will be generated from vacancies not filled at all times, without impairing service delivery.

9. Comments from other Departments, Divisions and Administrations

The Budget Report is included as Annexure C. The report serves as a comprehensive overview of the final budget. The compilation of the budget for 2014/15 adheres to the focus areas and strategic objectives of Council, as set out in the revised IDP. The draft budget was the result of several Budget Steering Committee, Senior Management, Ward Committee and OMAF meetings. The draft budget was presented to the community and organs of state for comment. Public participation meetings were held for all wards within the municipal area. Comments received were taken into consideration for the final budget (Schedule of comments and the municipality's responses are included as Annexure B and letters of comment are included in Annexure G of the budget report).

10. Annexures

Schedule 1:	Budgeted financial performance (revenue and expenditure by municipal vote)
Schedule 2:	Budgeted financial performance (revenue by source & expenditure by type)
Schedule 3:	Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
Schedule 4:	Budgeted financial position
Schedule 5:	Budgeted cash flow
Schedule 6:	Cash backed reserves and accumulated surplus reconciliation
Schedule 7:	Asset management
Schedule 8:	Basic service delivery measurement
Schedule 9:	Budgeted financial performance (revenue & expenditure by standard classification)
Schedule 10:	Budgeted capital appropriations by municipal vote
Annexure A:	List of Rates, Tariffs, Tariff Structures and Charges
Annexure B:	Schedule of comments and responses
Annexure C:	Budget Report 2014/2015 (Document to be distributed under separate cover)

RECOMMENDATION TO THE COUNCIL:

1. That, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2014/15 to 2016/2017 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

Schedule 1:	Budgeted financial performance (revenue & expenditure by municipal vote)
Schedule 2:	Budgeted financial performance (revenue by source & expenditure by type)
Schedule 3:	Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source Budgeted financial position
Schedule 4:	Budgeted cash flow
Schedule 5:	Cash backed reserves and acc. surplus reconciliation
Schedule 6:	Asset management
Schedule 7:	Basic service delivery measurement
Schedule 8:	

2. that the property rates reflected in **Annexure A, be imposed** for the budget year 2014/15;

3. that tariffs and charges reflected in **Annexure A, be approved** for the budget year 2014/15;

4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the third year of the approved lending programme for an external loan of R40 million;

5. that the following schedules be noted:

   Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification)
   Schedule 10: Budgeted capital appropriations by municipal vote

6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures G and H respectively of the budget report; and

7. that **cognisance be taken** of the 2014/2015 Budget Report.

RESPONSIBLE OFFICIAL : **BA KING**

TARGET DATE FOR IMPLEMENTATION : **1 JULY 2014**

SCHEDULE 1

WC032 Overstrand - Schedule 1 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - Council	27 515	31 483	38 353	42 395	42 995	42 995	52 401	65 565	73 466
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	892	1 264	1 476	1 216	1 216	1 216	2 410	961	961
Vote 4 - Finance	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Vote 5 - Community Services	227 608	245 501	253 342	280 926	277 784	277 784	261 822	293 836	307 536
Vote 6 - Local Economic Development	7 520	2 817	3 750	5 214	6 431	6 431	2 968	1 200	1 200
Vote 7 - Infrastructure & Planning	236 438	242 061	307 447	295 950	295 442	295 442	318 962	340 309	357 549
Vote 8 - Protection Services	9 337	10 048	12 541	12 493	12 343	12 343	13 184	13 093	14 079
Total Revenue by Vote	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council	31 350	55 945	64 385	56 809	62 399	62 399	63 289	67 543	71 596
Vote 2 - Municipal Manager	879	2 872	3 243	1 949	1 520	1 520	1 003	1 001	1 070
Vote 3 - Management Services	10 899	32 796	30 872	11 031	8 495	8 495	15 189	16 243	17 335
Vote 4 - Finance	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Vote 5 - Community Services	297 638	332 230	297 734	389 757	388 865	388 865	386 685	444 986	477 881
Vote 6 - Local Economic Development	3 068	5 845	7 716	8 303	10 397	10 397	11 140	10 714	11 334
Vote 7 - Infrastructure & Planning	220 110	232 916	254 779	287 299	285 253	285 253	318 607	325 210	347 058
Vote 8 - Protection Services	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Total Expenditure by Vote	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

SCHEDULE 2

WC032 Overstrand - Schedule 2 - Budgeted Financial Performance (revenue by source and expenditure by type)

	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	128 737	108 913	116 321	126 921	126 921	126 921	148 640	158 025	165 498
Property rates - penalties & collection charges	853	925	914	1 000	1 000	1 000	1 050	1 103	1 158
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - refuse revenue	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - other									
Rental of facilities and equipment	6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Interest earned - external investments	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Interest earned - outstanding debtors	2 463	2 331	2 199	2 204	2 204	2 204	2 288	2 234	2 322
Dividends received					–	–	–	–	–
Fines	5 469	5 278	6 644	6 079	7 529	7 529	7 965	7 378	7 817
Licences and permits	1 711	1 786	1 968	2 046	2 046	2 046	2 229	2 447	2 686
Agency services	1 790	1 912	2 025	2 250	2 255	2 255	2 480	2 727	3 000
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other revenue	39 497	17 375	71 461	19 963	21 516	21 516	21 717	22 855	24 404
Gains on disposal of PPE	13 171	1 920			383	383			
Total Revenue (excluding capital transfers and contributions)	**607 290**	**597 482**	**695 005**	**742 541**	**743 363**	**743 363**	**784 474**	**855 339**	**911 867**
Expenditure By Type									
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Debt impairment	4 806	28	934						
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other materials	58 239	54 582	12 437	15 055	14 752	14 752	17 295	20 201	19 151
Contracted services	20 253	24 079	67 601	74 909	76 844	76 844	81 062	95 248	100 837
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 407	142 792	158 088
Loss on disposal of PPE			1 756						
Total Expenditure	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**(35 911)**	**(145 043)**	**(51 909)**	**(81 518)**	**(85 026)**	**(85 026)**	**(85 115)**	**(96 044)**	**(100 980)**
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Contributions recognised - capital	21 561	8 603	5 289	3 583	1 083	1 083	2 134	–	–
Contributed assets					**1 187**	**1 187**			
Surplus/(Deficit) after capital transfers & contributions	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Taxation									
Surplus/(Deficit) after taxation	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

SCHEDULE 3

WC032 Overstrand - Schedule 3 - Capital Expenditure Budget by standard classification (municipal vote) and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard									
Governance and administration	**28 713**	**24 047**	**7 154**	**9 977**	**11 301**	**11 301**	**16 815**	**2 675**	**7 730**
Executive and council									
Budget and treasury office									
Corporate services	28 713	24 047	7 154	9 977	11 301	11 301	16 815	2 675	7 730
Community and public safety	**8 880**	**3 319**	**7 268**	**16 405**	**20 498**	**20 498**	**21 205**	**18 839**	**13 800**
Community and social services		327	4 666		3 652	3 652	5 635		
Sport and recreation	1 743	1 531	2 601	5 225	5 696	5 696	3 090	2 939	6 800
Public safety	19	645	–		–	–			
Housing	7 118	817	–	11 180	11 150	11 150	12 480	15 900	7 000
Health									
Economic and environmental services	**27 896**	**8 340**	**25 552**	**17 870**	**16 228**	**16 228**	**5 400**	**4 900**	**4 000**
Planning and development	6 973	2 864	945						
Road transport	20 923	5 477	24 607	17 870	16 228	16 228	5 400	4 900	4 000
Environmental protection									
Trading services	**88 628**	**127 569**	**103 790**	**65 644**	**78 455**	**78 455**	**54 300**	**59 748**	**54 588**
Electricity	32 411	30 061	26 768	37 194	39 229	39 229	17 000	18 500	18 500
Water	34 053	57 384	50 766	15 900	23 832	23 832	12 800	26 594	26 488
Waste water management	20 304	39 927	20 728	11 150	12 353	12 353	14 300	14 654	9 600
Waste management	1 859	196	5 528	1 400	3 041	3 041	10 200		
Other									
Total Capital Expenditure - Standard	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Funded by:									
National Government	17 443	40 212	36 911	22 355	22 105	22 105	24 174	23 587	24 388
Provincial Government	6 348	14 621	16 898	13 673	13 742	13 742	10 060	15 900	7 000
District Municipality					–	–			
Other transfers and grants					187	187	1 000		
Transfers recognised - capital	**23 791**	**54 833**	**53 809**	**36 028**	**36 034**	**36 034**	**35 234**	**39 487**	**31 388**
Public contributions & donations	4 966	14 300	5 067	3 583	2 083	2 083	1 134		
Borrowing	86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Internally generated funds	38 418	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Total Capital Funding	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

WC032 Overstrand - Schedule 4 - Budgeted Financial Position

R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	20 004	51 699	29 106	84 406	84 406	84 406	88 050	93 014	96 452
Call investment deposits	50 000	75 000	55 042	–	–	–	–	–	–
Consumer debtors	44 422	50 361	49 080	50 826	50 826	50 826	52 591	53 446	53 828
Other debtors	45 628	36 501	46 353	40 769	45 386	45 386	44 398	45 802	54 962
Current portion of long-term receivables	24	25	17	14	14	14	14	12	10
Inventory	51 567	16 446	18 937	7 486	11 628	11 628	12 092	12 585	13 108
Total current assets	**211 644**	**230 033**	**198 535**	**183 501**	**192 260**	**192 260**	**197 146**	**204 860**	**218 360**
Non current assets									
Long-term receivables	147	126	84	73	73	73	57	45	33
Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Investment property	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Investment in Associate									
Property, plant and equipment	3 024 361	3 073 014	3 105 649	3 080 474	3 085 945	3 085 945	3 072 423	3 047 758	3 015 499
Agricultural									
Biological									
Intangible	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
Other non-current assets	27 902	22 049	1 025	–	39 500	39 500	39 500	39 500	–
Total non current assets	**3 144 498**	**3 209 100**	**3 298 669**	**3 188 259**	**3 322 212**	**3 322 212**	**3 316 479**	**3 297 047**	**3 230 587**
TOTAL ASSETS	**3 356 142**	**3 439 132**	**3 497 204**	**3 371 760**	**3 514 472**	**3 514 472**	**3 513 625**	**3 501 907**	**3 448 947**
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	14 218	16 798	18 241	20 623	20 623	20 623	25 105	28 542	31 528
Consumer deposits	18 363	31 206	34 932	38 618	38 618	38 618	41 321	44 214	47 309
Trade and other payables	90 828	67 728	74 643	64 237	62 036	62 036	55 831	68 465	55 956
Provisions	6 471	21 847	27 670	6 831	6 831	6 831	31 592	33 956	36 113
Total current liabilities	**129 879**	**137 580**	**155 486**	**130 310**	**128 109**	**128 109**	**153 849**	**175 177**	**170 906**
Non current liabilities									
Borrowing	247 081	341 204	364 654	391 789	391 789	391 789	411 766	428 224	441 696
Provisions	97 414	111 097	119 319	135 325	135 325	135 325	137 501	144 548	151 960
Total non current liabilities	**344 496**	**452 301**	**483 973**	**527 115**	**527 115**	**527 115**	**549 267**	**572 772**	**593 655**
TOTAL LIABILITIES	**474 375**	**589 880**	**639 459**	**657 425**	**655 224**	**655 224**	**703 116**	**747 949**	**764 562**
NET ASSETS	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 564 679	2 847 332	2 855 854	2 397 233	2 857 322	2 857 322	2 808 575	2 752 018	2 682 425
Reserves	317 089	1 920	1 891	317 103	1 927	1 927	1 934	1 941	1 960
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**

WC032 Overstrand - Schedule 5 - Budgeted Cash Flows

	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	522 926	577 470	591 940	652 431	708 215	708 215	716 842	760 607	793 858
Government - operating	64 071	37 750	44 908	68 984	70 101	70 101	58 407	84 037	99 909
Government - capital	26 431	54 833	53 809	42 971	41 620	41 620	36 368	39 487	31 388
Interest	6 168	9 211	9 752	9 918	9 222	9 222	8 454	8 443	8 577
Dividends									
Payments									
Suppliers and employees	(510 106)	(520 159)	(551 464)	(622 122)	(654 985)	(654 985)	(653 525)	(727 095)	(807 344)
Finance charges	(19 373)	(31 669)	(37 174)	(42 292)	(42 292)	(42 292)	(45 162)	(47 472)	(49 508)
Transfers and Grants	(23 620)	(28 454)	(35 856)	(38 766)	(39 217)	(39 217)	(41 370)	(44 065)	(46 708)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**66 499**	**98 981**	**75 915**	**71 124**	**92 664**	**92 664**	**80 014**	**73 943**	**30 172**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	23 447	13 722	1 725	–	4 617	4 617			
Decrease (Increase) in non-current debtors	17 137	2 189	–	–	1 025	1 025	–	–	39 500
Decrease (increase) other non-current receivables	29	20	50	48	14	14	15	14	14
Decrease (increase) in non-current investments	(1 262)	(4 430)	(4 960)	(5 359)	(4 783)	(4 783)	(5 827)	(5 618)	(5 683)
Payments									
Capital assets	(150 497)	(163 275)	(143 764)	(109 897)	(126 482)	(126 482)	(97 721)	(86 162)	(80 118)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(111 146)**	**(151 774)**	**(146 949)**	**(115 209)**	**(125 609)**	**(125 609)**	**(103 533)**	**(91 765)**	**(46 287)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	940	(389)	–	–	–	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	90 000	110 000	38 700	51 300	51 300	51 300	40 000	45 000	45 000
Increase (decrease) in consumer deposits	4 469	12 844	3 726	3 704	3 686	3 686	2 703	2 893	3 095
Payments									
Repayment of borrowing	(9 442)	(14 295)	(13 554)	(18 032)	(21 783)	(21 783)	(21 061)	(23 929)	(27 220)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**85 027**	**109 489**	**28 482**	**36 973**	**33 204**	**33 204**	**27 163**	**22 787**	**19 553**
NET INCREASE/ (DECREASE) IN CASH HELD	**40 380**	**56 696**	**(42 552)**	**(7 112)**	**259**	**259**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the year begin:	**29 623**	**70 004**	**126 699**	**91 518**	**84 147**	**84 147**	**84 406**	**88 050**	**93 014**
Cash/cash equivalents at the year end:	**70 004**	**126 699**	**84 147**	**84 406**	**84 406**	**84 406**	**88 050**	**93 014**	**96 452**

WC032 Overstrand - Schedule 6 - Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Other current investments > 90 days	0	0	–	–	–	–	–	–	–
Non current assets - Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Cash and investments available:	**71 265**	**132 391**	**95 744**	**100 786**	**100 786**	**100 786**	**110 257**	**120 839**	**129 960**
Application of cash and investments									
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
Unspent borrowing	–	18 255	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(7 780)	(28 049)	(20 695)	(25 504)	(40 374)	(40 374)	(40 803)	(30 246)	(51 267)
Other provisions									
Long term investments committed	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Reserves to be backed by cash/investments									
Total Application of cash and investments:	**3 437**	**453**	**(1 315)**	**(9 124)**	**(23 994)**	**(23 994)**	**(18 596)**	**(2 421)**	**(17 759)**
Surplus(shortfall)	**67 829**	**131 938**	**97 059**	**109 910**	**124 780**	**124 780**	**128 853**	**123 260**	**147 718**

WC032 Overstrand - Schedule 7 - Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE									
Total New Assets	**154 117**	**163 275**	**139 617**	**70 731**	**77 825**	**77 825**	**69 581**	**51 823**	**49 918**
Infrastructure - Road transport	20 923	12 754	15 578	9 160	9 360	9 360	800	2 000	1 000
Infrastructure - Electricity	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Infrastructure - Water	34 053	57 384	48 634	7 300	8 392	8 392	–	5 094	12 488
Infrastructure - Sanitation	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 252*	*50 904*	*55 858*	*55 858*	*34 500*	*31 248*	*28 388*
Community	17 814	6 183	20 997	13 189	13 609	13 609	18 266	17 900	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	9 038	6 638	8 358	8 358	16 815	2 675	7 730
Intangibles	118	928	1 330	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**–**	**4 147**	**39 166**	**48 657**	**48 657**	**28 139**	**34 339**	**30 200**
Infrastructure - Road transport	–	–	131	8 710	7 069	7 069	5 400	4 900	4 000
Infrastructure - Electricity	–	–	–	13 300	13 344	13 344	3 100	7 000	9 200
Infrastructure - Water	–	–	–	8 600	15 440	15 440	12 800	21 500	14 000
Infrastructure - Sanitation	–	–	–	2 000	2 974	2 974	3 900	–	3 000
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	*131*	*32 610*	*38 826*	*38 826*	*25 200*	*33 400*	*30 200*
Community	–	–	756	5 716	8 992	8 992	2 939	939	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	3 260	–	–	–	–	–	–
Intangibles	–	–	–	839	839	839	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	20 923	12 754	15 709	17 870	16 428	16 428	6 200	6 900	5 000
Infrastructure - Electricity	32 411	30 061	22 203	37 194	39 229	39 229	17 000	18 500	18 500
Infrastructure - Water	34 053	57 384	48 634	15 900	23 832	23 832	12 800	26 594	26 488
Infrastructure - Sanitation	15 142	32 650	16 478	11 150	12 153	12 153	13 500	12 654	8 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 383*	*83 514*	*94 684*	*94 684*	*59 700*	*64 648*	*58 588*
Community	17 814	6 183	21 753	18 905	22 602	22 602	21 205	18 839	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	12 298	6 638	8 358	8 358	16 815	2 675	7 730
Intangibles	118	928	1 330	839	839	839	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	969 647	946 061	946 309	809 135	931 864	931 864	906 551	881 740	854 553
Infrastructure - Electricity	601 522	600 736	608 753	632 360	626 333	626 333	620 545	616 022	611 097
Infrastructure - Water	378 195	419 500	454 017	478 605	460 425	460 425	453 857	459 080	463 823
Infrastructure - Sanitation	358 175	379 653	380 883	375 354	378 909	378 909	376 342	373 752	366 863
Infrastructure - Other	39 146	37 051	39 059	129 996	50 193	50 193	70 579	83 872	91 210
Infrastructure	*2 346 686*	*2 383 001*	*2 429 021*	*2 425 450*	*2 447 724*	*2 447 724*	*2 427 874*	*2 414 466*	*2 387 546*
Community	80 184	81 364	78 567	115 505	83 092	83 092	85 009	82 935	84 723
Heritage assets	76 995	108 552	99 322	76 995	99 322	99 322	99 322	99 322	99 322
Investment properties	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Other assets	520 495	500 097	498 740	462 523	455 806	455 806	456 970	447 787	441 759
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 115 187**	**3 181 234**	**3 285 964**	**3 171 806**	**3 266 260**	**3 266 260**	**3 251 467**	**3 226 430**	**3 194 898**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Repairs and Maintenance by Asset Class	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Infrastructure	*38 271*	*43 120*	*87 048*	*135 022*	*131 381*	*131 381*	*136 752*	*155 760*	*162 666*
Community	3 574	6 012	5 408	8 252	8 749	8 749	9 298	10 114	11 373
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	199	270	–	–	–	–	–	–	–
Other assets	16 195	15 443	21 958	20 086	14 666	14 666	16 218	21 086	21 989
TOTAL EXPENDITURE OTHER ITEMS	**165 016**	**168 886**	**219 694**	**267 170**	**256 865**	**256 865**	**271 533**	**298 159**	**308 777**
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*2.9%*	*35.6%*	*38.5%*	*38.5%*	*28.8%*	*39.9%*	*37.7%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*3.9%*	*37.7%*	*47.7%*	*47.7%*	*25.8%*	*30.9%*	*26.8%*
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
Renewal and R&M as a % of PPE	*2.0%*	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*7.0%*	*7.0%*

WC032 Overstrand - Schedule 8 - Basic service delivery measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	26 632	26 813	27 833	27 400	27 957	27 957	28 100	28 300	28 600
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	3 671	3 449	3 776	3 400	3 406	3 406	3 350	3 300	3 250
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	18 679	19 082	20 354	19 620	19 975	19 975	20 030	20 125	20 290
Flush toilet (with septic tank)	11 624	11 180	11 255	11 180	11 388	11 388	11 420	11 475	11 560
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Energy:									
Electricity (at least min.service level)	12 500	10 500	9 500	9 000	9 000	9 000	8 700	8 400	8 000
Electricity - prepaid (min.service level)	12 300	14 700	16 100	16 900	16 900	16 900	17 700	18 500	19 300
Minimum Service Level and Above sub-total	24 800	25 200	25 600	25 900	25 900	25 900	26 400	26 900	27 300
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)				1 870	1 600	1 600	1 000	500	
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	1 870	1 600	1 600	1 000	500	–
Total number of households	**24 800**	**25 200**	**25 600**	**27 770**	**27 500**	**27 500**	**27 400**	**27 400**	**27 300**
Refuse:									
Removed at least once a week	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Minimum Service Level and Above sub-total	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 357**	**31 373**	**31 739**	**31 800**	**31 800**	**31 800**	**32 691**	**33 671**	**34 681**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	29 640	29 763	27 752	37 921	6 552	6 552	6 700	6 800	6 900
Sanitation (free minimum level service)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Electricity/other energy (50kwh per household per mont	2 700	3 700	4 100	4 350	4 350	4 350	4 785	5 260	5 790
Refuse (removed at least once a week)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 058	5 463	6 009	7 286	7 286	7 286	7 723	8 186	8 677
Sanitation (free sanitation service)	7 356	4 422	4 864	6 538	6 538	6 538	6 930	7 346	7 787
Electricity/other energy (50kwh per household per mont	11 085	12 233	13 456	14 336	17 287	17 287	18 809	19 090	19 371
Refuse (removed once a week)	6 048	6 531	7 185	8 655	8 655	8 655	9 174	9 725	10 308
Total cost of FBS provided (minimum social package)	**29 547**	**28 649**	**31 514**	**36 815**	**39 766**	**39 766**	**42 637**	**44 347**	**46 143**
Highest level of free service provided									
Property rates (R value threshold)	50 000	50 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Sanitation (Rand per household per month)	47	51	54	58	58	58	61	65	69
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 621	1 735	1 837	1 965	1 965	1 965	1 965	1 965	1 965
Property rates (other exemptions, reductions and rebates)				26 522	26 522	26 522	26 522	26 522	26 522
Water	5 058	5 463	7 149	6 826	7 816	7 816	8 285	8 782	9 309
Sanitation	7 356	7 945	5 540	6 538	6 057	6 057	6 420	6 806	7 214
Electricity/other energy	11 085	12 233	13 670	2 030	14 945	14 945	15 842	16 792	17 800
Refuse	6 048	6 531	9 099	8 655	9 948	9 948	10 545	11 178	11 848
Municipal Housing - rental rebates	27 250	15 176	–	–	–	–	–	–	–
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**58 418**	**49 083**	**37 295**	**52 536**	**67 253**	**67 253**	**69 579**	**72 045**	**74 658**

WC032 Overstrand - Schedule 9 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Governance and administration	**215 943**	**167 928**	**231 849**	**193 558**	**194 804**	**194 804**	**231 071**	**253 526**	**267 382**
Executive and council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Budget and treasury office	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Corporate services	44 803	8 700	56 303	2 277	2 959	2 959	9 534	8 059	5 412
Community and public safety	**66 038**	**23 195**	**41 938**	**57 725**	**59 071**	**59 071**	**33 726**	**53 804**	**64 234**
Community and social services	1 736	2 574	2 990	2 078	2 507	2 507	2 402	3 600	6 766
Sport and recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
Public safety	9 337	10 048	12 541	12 393	12 343	12 343	13 184	13 093	14 079
Housing	48 848	3 965	18 645	31 705	31 675	31 675	8 576	27 243	28 969
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**14 932**	**12 963**	**18 567**	**25 383**	**29 769**	**29 769**	**13 939**	**7 721**	**9 314**
Planning and development	11 911	8 801	7 907	11 377	11 853	11 853	8 465	6 037	6 520
Road transport	2 691	3 863	10 595	13 938	17 608	17 608	5 397	1 600	2 700
Environmental protection	329	299	65	68	308	308	76	84	93
Trading services	**356 023**	**456 833**	**461 748**	**509 446**	**501 339**	**501 339**	**542 106**	**579 775**	**602 325**
Electricity	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
Water	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
Waste water management	53 541	79 550	68 756	67 584	64 927	64 927	72 155	77 967	75 459
Waste management	37 078	39 605	46 911	53 020	53 070	53 070	59 691	60 350	63 146
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure - Standard									
Governance and administration	**110 149**	**190 332**	**205 256**	**120 523**	**120 584**	**120 584**	**127 368**	**146 825**	**150 731**
Executive and council	38 862	58 811	67 621	64 562	65 843	65 843	66 867	75 471	79 697
Budget and treasury office	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Corporate services	24 905	82 842	86 284	31 236	28 053	28 053	35 998	38 524	40 490
Community and public safety	**83 864**	**124 992**	**83 226**	**122 599**	**123 182**	**123 182**	**113 536**	**130 898**	**149 270**
Community and social services	25 861	24 079	26 064	30 554	31 128	31 128	32 563	34 346	36 685
Sport and recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
Public safety	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Housing	7 681	54 294	4 258	26 754	26 352	26 352	9 554	20 473	31 629
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**111 966**	**116 245**	**112 994**	**135 645**	**132 471**	**132 471**	**139 514**	**147 044**	**153 028**
Planning and development	21 743	35 519	36 263	31 326	32 719	32 719	37 314	38 607	40 998
Road transport	83 509	75 715	71 107	96 482	91 710	91 710	95 166	101 024	104 103
Environmental protection	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
Trading services	**337 222**	**310 956**	**345 437**	**445 293**	**452 153**	**452 153**	**489 171**	**526 617**	**559 817**
Electricity	171 365	177 473	198 902	244 304	242 679	242 679	272 386	276 444	295 533
Water	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
Waste water management	43 147	42 466	45 945	60 149	64 341	64 341	67 138	74 952	79 130
Waste management	51 445	37 573	40 102	48 760	49 851	49 851	56 489	61 050	66 326
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Schedule 10 - Budgeted Capital Expenditure by directorate

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	90 266	119 308	110 111	68 764	83 280	83 280	76 938	66 662	57 618
Vote 6 - Local Economic Development	6 973	–	945	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500
Vote 8 - Protection Services	19	645	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

OVERSTRAND MUNICIPALITY

RATES TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.15
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2011**					
RATE1*	Commercial Land with Improvements	0.00627	0.00627	0.00545	0.00545	15.00%
RATE2*	Residential Land with Improvements	0.00414	0.00414	0.00360	0.00360	15.00%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.00%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00104	0.00104	0.00090	0.00090	15.00%
RATE8	Undeveloped erven	0.00566	0.00566	0.00566	0.00566	0.00%

PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES

OVERSTRAND MUNCIPALITY

(Attachments to the Rates Tariff Schedule)

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	No exemptions. Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res. rate: 1 -2 X lettable room: 100% 3 X lettable rooms: 75% 4 X lettable rooms: 50% 5 X lettable rooms: 25%
BUSO	General Tax: Tourism and recreational resorts outside of the municipal service areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax. A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and an additional rebate of 20% of the levy calculated on such properties, is granted. Rebate to qualifying property owners as indicated under "*Other Rebate*"
RESO	General Tax: Residential properties outside of the municipal service area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	50% of the tax applicable on residential property in urban areas. Rebate to qualifying property owners as indicated under "Other Rebate"
FARMS	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.

REBU2 **REBU3** **REBU4**	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the **Property Rates** Policy, who's household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the **Property Rates** Policy, who are older than 60 with a total household income less than four times (4X) of state funded social pensions per month; • A rebate of 30% to approved applicants, in terms of the **Property Rates**, who are older than 60 with a total household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious Organizations	A property registered in the name of and used primarily as a place of public worship by a religious organization/community, including an official residence registered in the name of that organization/community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1)(i) of the MPRA.
Health and welfare institutions	Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the boundaries of Overstrand Municipality.
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work.
Sporting bodies	Property used by an organization whose sole purpose is to use the property for sporting purposes, for gain or not. Assistance to professional sporting organizations may differ from that afforded to amateur bodies. The rebate will be award **at the sole discretion of council on an annual basis**.
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.
Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
Museums, libraries, art galleries and botanical gardens	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organizations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	**BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE**					
S1J	**Kleinbaai Harbour:**					
S1J1	On site Parking pm	675.44	770.00	614.04	700.00	10.00%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	28 407.02	32 384.00	25 824.56	29 440.00	10.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 171.06	2 475.00	1 973.68	2 250.00	10.00%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	21 681.58	24 717.00	19 710.53	22 470.00	10.00%
S1J4A	Kelp Collectors pm	2 713.20	3 093.05	1 973.68	2 250.00	37.47%
S1J4B	Kelp Collectors pa	27 102.00	30 896.28	19 710.53	22 470.00	37.50%
S1J4C	Kelp Collectors per launch	175.44	200.00	131.58	150.00	33.33%
S1J5	Oversize vessel	tariff + 50%	vat on tariff + 50%	tariff + 50%	vat on tariff + 50%	
S1J6A	Nature Conservation	FREE	FREE	FREE	FREE	
S1J6B	Support Service per month	511.40	583.00	464.91	530.00	10.00%
S1J6C	Support Service per launch	67.54	77.00	61.40	70.00	10.00%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW	
S1J7A2	Recreational Fishing Vessels < 7m per Launch	52.63	60.00	NEW	NEW	
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	526.32	600.00	NEW	NEW	
S1J7A4	Recreational Fishing Vessels > 7m per Launch	65.79	75.00	NEW	NEW	
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW	
S1J7B2	Commercial Fishing Vessels > 7m pa	631.58	720.00	NEW	NEW	
S1J7B3	Commercial Fishing Vessels > 7m per launch	74.56	85.00	NEW	NEW	
S1J8A	Passenger Boats pm	1 085.97	1 238.00	986.84	1 125.00	10.04%
S1J8B	Passenger Boats per launch	106.14	121.00	96.49	110.00	10.00%
S1J9	Use of Tractor for boat-launching / month	183.34	209.00	166.67	190.00	10.00%
S1J10	Under-cover Stalls (Informal trading) / day	34.21	39.00	30.70	35.00	11.43%
S1J11	Formal Shop Rental / month	627.19	715.00	570.18	650.00	10.00%
S1J12	Informal Trader under cover rental / month	414.91	473.00	377.19	430.00	10.00%
S1L	**Kleinmond (08:00 - 16:00)**					
S1L1	Entrance fee per day (Western Cape December school holiday **plus** Easter Weekend)	28.95	33.00	26.32	30.00	9.99%
S1L2	Season Ticket (Western Cape December School Holiday **plus** Easter Weekend) (Motor Vehicles)	256.14	292.00	232.46	265.00	10.19%
S2	**BUILDING CONTROL**					
S2A1	Building Plan Fees up to 100 m² (R/m²)	21.05	24.00	19.30	22.00	9.07%
S2A2	Building Plan Fees from 101 m² to 200 sq m (R/m²)	25.44	29.00	23.68	27.00	7.43%
S2A3	Building Plan Fees from 201 m² to 300 sq m (R/m²)	29.83	34.00	28.07	32.00	6.25%
S2A4	Building Plan Fees greater than 300 m² (R/m²)	34.21	39.00	33.33	38.00	2.64%
S2A5	Building Plan fees - Building Sub Economic < 70 m²	307.02	350.00	280.70	320.00	9.38%
S2B	Alterations and Additions smaller than 30 m²	631.58	720.00	578.95	660.00	9.09%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m²	14.48	16.50	13.16	15.00	10.00%
S2D1	Building Plan fees related to Industrial buildings R/m²	14.48	16.50	13.16	15.00	10.00%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m²)	14.48	16.50	13.16	15.00	10.00%
S2F1	Plan Scrutiny Fees - < 200 m²	377.19	430.00	342.11	390.00	10.26%
S2F2	> 200 m² (R/m²)	3.07	3.50	2.81	3.20	9.25%
S2G	Demolition application	377.19	430.00	342.11	390.00	10.26%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S2H	Inspection & Re-inspection fees and Inspections on queries, rates clearance etc.	219.30	250.00	192.98	220.00	13.64%
S2J1	Building Deposit - < 50m² or **less** or less than R150,000.00	660.00	no vat	600.00	no vat	10.00%
S2J2	Building Deposit - Recoverable 50m² to 200m² or more than R150,000.00	1 760.00	no vat	1 600.00	no vat	10.00%
S2J3	Building Deposit - Recoverable more than 200m²	4 840.00	no vat	4 400.00	no vat	10.00%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	43.86	50.00	36.84	42.00	19.06%
S2L	Minor Building Works	175.44	200.00	NEW	NEW	
S2L1	Heritage Investigation Minor Alterations (no additions)	350.88	400.00	324.56	370.00	8.11%
S2L2	Heritage Investigation add and alt smaller than 30m²	701.75	800.00	649.12	740.00	8.11%
S2L3	Heritage Investigation add and alt greater than 30m²	1 403.51	1 600.00	1 315.79	1 500.00	6.67%
S3	**BUILDING CONTROL: PLAN PRINTING FEES**					
S3A1	Per sheet - Size A0 (Private copy)	48.25	55.00	43.86	50.00	10.00%
S3A2	Size A1 (Private copy)	38.60	44.00	35.09	40.00	10.00%
S3A3	Size A2 (Private copy)	28.95	33.00	26.32	30.00	9.99%
S3A4	Per sheet - Size A0 (Official copy)	38.60	44.00	35.09	40.00	10.00%
S3A5	- Size A1 (Official copy)	28.95	33.00	26.32	30.00	9.99%
S3A6	- Size A2 (Official copy)	20.18	23.00	19.30	22.00	4.53%
S3B1	Per sheet - Size A0 (Private copy) Colour	250.88	286.00	228.07	260.00	10.00%
S3B2	Size A1 (Private copy) Colour	192.98	220.00	175.44	200.00	10.00%
S3B3	Size A2 (Private copy) Colour	131.58	150.00	114.04	130.00	15.39%
S3B4	Per sheet - Size A0 (Official copy) Colour	127.19	145.00	114.04	130.00	11.54%
S3B5	- Size A1 (Official copy) Colour	96.49	110.00	87.72	100.00	10.00%
S3B6	- Size A2 (Official copy) Colour	65.79	75.00	61.40	70.00	7.15%
S15	**CEMETERY**					
	Residents (RES):					
S15A	**Plot Cost (Fixed)**					
Note	**Grave Depths** - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	474.56	541.00	412.28	470.00	15.11%
S15A2	All cemeteries - Doubble graves - depth for two coffins	736.84	840.00	561.40	640.00	31.25%
S15A3	Double grave next to each other	949.12	1 082.00	NEW	NEW	
S15A4	Children under 12years	356.14	406.00	NEW	NEW	
S15A3	Garden of Remembrance Fees	173.68	198.00	157.90	180.00	10.00%
S15B	**Indication of grave**					
S15B1	New graves (include inspection before and after funeral)	453.51	517.00	412.28	470.00	10.00%
S15B2	Existing graves	144.74	165.00	131.58	150.00	10.00%
	Non Residents:					
S15C	Plot Cost					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S15D	**Indication of grave**					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S18	**COMMERCIAL FILMING/PHOTOGRAPHING**					
S18A1	Large per day or part thereof ≥ 50 people	10 228.07	11 660.00	9 298.25	10 600.00	10.00%
S18A2	Small per day or part thereof more than 10 but < 50 people	3 579.82	4 081.00	3 254.39	3 710.00	10.00%
S18A3	Small per day or part thereof ≤ 10 people	1 022.81	1 166.00	929.82	1 060.00	10.00%
	Addition to Shoot					
S18C	Animals (per animal per day or part of a day)	125.44	143.00	114.04	130.00	10.00%
S18D	Area required for production and catering (per m² per day or part of a day)	28.95	33.00	26.32	30.00	9.99%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Enviromental Control Officer: Fees per hour or part thereof	298.25	340.00	280.70	320.00	6.25%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	105.26	120.00	96.49	110.00	9.09%
S20	**CREDIT CONTROL AND DEBT COLLECTION**					
S20A1	Admin fee on arrear accounts Notices	289.47	330.00	263.16	300.00	10.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	289.48	330.00	263.16	300.00	10.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	482.46	550.00	438.60	500.00	10.00%
S22	**DOG TAX**					
S22A	Licence per dog	57.89	66.00	52.63	60.00	10.00%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
S23	**FIRE SERVICES & DISASTER MANAGEMENT**					
S23A	Plot Clearing	Actual Cost + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	Actual Cost + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	0.00%
S23B	Re-inspection Fee under By-law	115.79	132.00	105.26	120.00	10.00%
S23C	**Extinghuising of Fires**					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1315.79	1500.00	NEW	NEW	
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	NEW	NEW	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	438.60	500.00	NEW	NEW	
S23C4	Assistance at motor vehcile accidents and rescues	FREE	no vat applicable	NEW	NEW	
S23D	**Standby at fire scene**					
S23D1	Per hour or part thereof for vehicle and fire fighters	438.60	500.00	NEW	NEW	
S23E	**Fire Prevention Inspections**					
S23E1	Tank installation - per tank	263.16	300.00	NEW	NEW	
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	263.16	300.00	NEW	NEW	
S23F	**Fire Safety**					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	NEW	NEW	
S23F2	3rd and continuing compliance inspection	263.16	300.00	NEW	NEW	
S23G	**Events**					
S23G1	Inspection of location and issuing of Population Certificate	175.44	200.00	NEW	NEW	
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	877.19	1000.00	NEW	NEW	
S23H	**Burn Permits**					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S23H1	Burn Permit Inspection	219.30	250.00	NEW	NEW	
S25	**LAW ENFORCEMENT**					
S25B	**Business License**					
S25B1	Business Licence - permanent stand	559.65	638.00	508.77	580.00	10.00%
S25B2	Business Licence - not permanent stand	221.93	253.00	201.75	230.00	10.00%
S25B3	Re-inspection Fee	110.97	126.50	100.88	115.00	10.00%
S25B4	Duplicate Licence Fee	110.97	126.50	100.88	115.00	10.00%
S25C	**Impoundment of Hawkers Goods**					
S25C1	Per Impoundment	492.11	561.00	447.37	510.00	10.00%
S25C2	Removal of illegal structure per structure	2 026.32	2 310.00	1 842.11	2 100.00	10.00%
S25C3	Storage Fee per day	130.26	148.50	118.42	135.00	10.00%
S25D	**Pound fee: Dogs and Cats**					
S25D1	Impoundment of Dogs and Cats	53.07	60.50	48.25	55.00	10.00%
S25D2	Pound fee: from day 2 per day	33.77	38.50	30.70	35.00	10.00%
S25E	**Pound fee: Other Animals**					
S25E1	Impoundment fee per week per animal	530.71	605.00	482.46	550.00	10.00%
S25F	**Bylaw on Outdoor Advertising**					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	53.07	60.50	48.25	55.00	10.00%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	530.71	605.00	482.46	550.00	10.00%
S28	**LIBRARY**					
S28A1	Copies: A3 / Page	3.07	3.50	2.81	3.20	9.25%
S28A2	Copies: A3 / Page - **Education Purposes ONLY Black & White**	2.63	3.00	NEW	NEW	
S28A3	Copies: A3 page Colour	6.58	7.50	6.14	7.00	7.17%
S28A4	Copies: A3 / Page - **Education Purposes ONLY Colour**	5.26	6.00	NEW	NEW	
S28A5	Copies: A4/Page	2.63	3.00	2.19	2.50	20.09%
S28A6	Copies: A4 / Page - **Education Purposes ONLY Black & White**	1.32	1.50	1.32	1.50	0.00%
S28A7	Copies: A4 page Colour	4.83	5.50	4.39	5.00	9.91%
S28A8	Copies: A4 / Page - **Education Purposes ONLY Colour**	2.63	3.00	NEW	NEW	
S28B1	Deposit to person/s **non-residents Fiction & Non-Fiction**	297.00	no vat	270.00	no vat	10.00%
S28C1	Fax per page - excluding 0865/6 numbers	3.38	3.85	3.77	4.30	-10.34%
S28C2	Fax per page - 0865/6 numbers	5.79	6.60	5.61	6.40	3.21%
S28D1	Lost Cards: Laminated (R/card)	17.54	20.00	14.04	16.00	24.97%
S28D2	Laminated Cost A3	4.39	5.00	NEW	NEW	
S28D3	Laminated Cost A4	2.19	2.50	NEW	NEW	
S28E1	Penalty per book per week	1.00	no vat	1.00	no vat	0.00%
S28E2	Penalty per record/CD per week	1.00	no vat	1.00	no vat	0.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	14.91	17.00	14.04	16.00	6.23%
S28F2	Scanning of Document - Colour	16.67	19.00	15.79	18.00	5.57%
S28G1	Special Requests - Hold per Book	2.63	3.00	2.63	3.00	-0.06%
S28G2	Special Requests - ILL per Book	4.39	5.00	4.39	5.00	0.09%
S28H1	Subscriptions/ reader - Adults (Non residents)	115.79	132.00	105.26	120.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28H2	Subscriptions/ reader - Children (Non residents)	72.81	83.00	65.79	75.00	10.67%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	279.83	319.00	254.39	290.00	10.00%
S28K	Visitor's fee - Handling charge / item	9.65	11.00	8.77	10.00	10.00%
S28L1	Hire of Library Hall per Hour - Fundraising event	109.65	125.00	NEW	NEW	
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	19.30	22.00	NEW	NEW	
S30	**STONY POINT**					
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 13 years and older)	13.16	15.00	8.77	10.00	50.06%
S30A2	Visitors fee Soney Point Nature Reserve per day (children from 6 - 12 years)	8.77	10.00	NEW	NEW	
S30A3	Visitors fee Stony Point Nature Reserve per day (children under 6 years)	no charge	no charge	no charge	no charge	
S30A4	Visitors fee Stony Point Nature Reserve - Permit, financial year, per person	96.49	110.00	87.72	100.00	10.00%
S32	**PARKING FEE**					
	Beaches: Grotto & Kleinmond (08:00 - 16:00)					
S32A	Bus Drop off (more than 14 seats)	105.26	120.00	96.49	110.00	9.09%
S32B	Parking Buses: Municipal Parking Area per day	166.67	190.00	149.12	170.00	11.77%
S32C	Per vehicle per day or part of a day - (Western Cape December School Holiday)	13.16	15.00	8.77	10.00	50.06%
S32D	Residents permit per year (only 2 per owner of erven)	52.63	60.00	35.09	40.00	49.99%
S32E	Season Ticket (Western Cape December School Holiday) (per Motor Vehicle)	115.79	132.00	105.26	120.00	10.00%
	Metered parking (excluding public holidays)					
S32P	Parking Monthly Permit per vehicle	385.97	440.00	350.88	400.00	10.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	0.96	1.00	0.88	1.00	0.00%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	2.63	3.00	1.75	2.00	49.91%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	4.39	5.00	3.51	4.00	25.12%
S32T	Per Hour Saturday (08:30 - 13:00)	4.39	5.00	3.51	4.00	25.12%
S33	**OPERATIONAL COST**					
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	
S34	**PROPERTY ADMINISTRATION**					
S34A	Application for Encroachment (Asset Management Policy (Par. 53.1; 53.2; 53.3, 53.4, 53.5)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S34B1	Application for purchase / lease of Municipal Property (***excluding Sport Facilities/Stalls and organs of state***)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S34B2	Application for purchase / lease of Municipal Property - registered Social Care Institutions / Organisations	438.60	500.00	438.60	500.00	0.00%
	Encroachment Fee:					
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 53.1)	333.33	380.00	302.63	345.00	10.14%
S34D	Road Reserves and public thoroughfares (per annum) (Par 53.2)	333.33	380.00	302.63	345.00	10.14%
S34E	Garden areas onto Commonage & Public Open Spaces or Conservation areas (per annum) (Par. 53.3)	333.33	380.00	302.63	345.00	10.14%
S34F	Enclosure or exclusive use or portions of the commonage or public open spaces for gardening purposes **(per m² per month)** (Par 53.4)	9.65	11.00	8.77	10.00	10.00%
S34G	Use of Municipal land for outdoor seating adjoining a Restaurant (per m² per month) (Par 53.5)	21.93	25.00	21.93	25.00	0.00%
S34G1	Temporary use (< 12 months) of Municipal land for general purposes (per m² per month)	21.93	25.00	21.93	25.00	0.00%
S34H	**Radio Mast**					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S34H1	Equipment on Mast - per month per mast	1 466.66	1 672.00	1 333.33	1 520.00	10.00%
S34H2	Space in building per m² - per month	385.97	440.00	350.88	400.00	10.00%
S34H3	Space outside the building per m² - per month	192.98	220.00	175.44	200.00	10.00%
S34H4	Land for installation of a new mast per m² - per month	48.25	55.00	43.86	50.00	10.00%
	Memorial Benches					
S34J	Memorial Benches (Installation)	2 412.28	2 750.00	2 192.98	2 500.00	10.00%
S34K	Memorial Benches (per Annum)	192.98	220.00	175.44	200.00	10.00%
S36	**PROPERTY INFORMATION**					
S36A1	Clearance Certificate (R/certificate) - **ELECTRONIC**	72.81	83.00	65.79	75.00	10.67%
S36A2	Clearance Certificate (R/certificate) - **MANUAL**	221.93	253.00	201.75	230.00	10.00%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	96.49	110.00	87.72	100.00	10.00%
S36B2	Deeds office registrations with sales information (R/erf)	24.56	28.00	21.93	25.00	11.99%
S36C	Extract from the Valuation Roll (R/page)	7.90	9.00	7.02	8.00	12.46%
S36F	Revaluation fee	1 379.83	1 573.00	1 254.39	1 430.00	10.00%
S36G1	Valuation Certificate (R/certificate) - **ELECTRONIC**	34.21	39.00	30.70	35.00	11.43%
S36G2	Valuation Certificate (R/certificate) - **MANUAL**	115.79	132.00	105.26	120.00	10.00%
S36H	Access of valuation roll Information on CD	289.47	330.00	289.47	330.00	0.00%
S40	**RENTAL: COMMUNITY HALLS**					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	**free of charge**	**free of charge**	
S40.2	Day tariff for all approved festivals per day	723.68	825.00	657.90	750.00	10.00%
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	
S40A	**Auditorium & Banqueting Hall**					
S40A1	Deposit for all functions (refundable)	1 540.00	no vat	1 400.00	no vat	10.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	463.16	528.00	421.05	480.00	10.00%
S40A3	Hire of Auditorium per Hour or part of a hour	231.58	264.00	210.53	240.00	10.00%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	347.37	396.00	315.79	360.00	10.00%
Note	*Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.*					
S40A5	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00	New	New	
S40A6	Piano per event	Actual Tuning Cost + R275.44 admin. Fee	Actual Tuning Cost + R314.00	Actual Tuning Cost + R250.00 admin. Fee	Actual Tuning Cost + R285.00	10.18%
S40A7	Sound OR Ligthing Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40A8	Where use is made of the crockery and other facilities i.e. stove, fridge	482.46	550.00	438.60	500.00	10.00%
S40A9	After Midnight	tariff X 2	applicable vat	tariff X 2	applicable vat	
S40A10	Fund raising event: Local CBO's and NGO's per hour per venue	212.28	242.00	192.98	220.00	10.00%
S40A11	Non-fundraising event: Local CBO's and NGO's per hour per venue	144.74	165.00	131.58	150.00	10.00%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	96.49	110.00	87.72	100.00	
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	212.28	242.00	192.98	220.00	10.00%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	19.30	22.00	17.54	20.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40C	**Barracks - Kleinmond**					
S40C1	Hire per room per month	31.58	36.00	28.07	32.00	12.50%
S40E	**Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni / Gansbaai Tourism / Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringele Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle**					
S40E1	Deposit: (refundable) Fundraising	0.00	no vat	190.00	no vat	-100.00%
S40E2	Deposit: (refundable) Funeral Tea	0.00	no vat	75.00	no vat	-100.00%
S40E3	Deposit: (refundable) Non Fundraising	0.00	no vat	130.00	no vat	-100.00%
S40E4	Fundraising: (Karaoke) Per daytime *or* evening	212.28	242.00	192.98	220.00	10.00%
S40E5	Funeral Tea (three hours)	86.85	99.00	78.95	90.00	10.00%
S40E6	Government Imbizos - Per daytime *or* evening	1 485.97	1 694.00	1 350.88	1 540.00	10.00%
S40E7	*Non-fundraising events for Schools, other training institutions and sport & recreation*	175.44	200.00	New	New	
S40E8	Meetings: Local CBO's and NGO's per hour	19.30	22.00	17.54	20.00	10.00%
S40E9	Non-fundraising (parties) Per daytime *or* evening	106.14	121.00	96.49	110.00	10.00%
S40E10	Use of Kitchen - Fundraising events per ***event***	192.98	220.00	175.44	200.00	10.00%
S40E11	Use of Kitchen - Non Fundraising	No charge	no vat	No charge	no vat	
Note	***Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00***					
S40J	**Kleinmond Hall & Hawston Multi Purpose Centre**					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	400.00	no vat	380.00	no vat	5.26%
S40J2	Deposit: Hawston Multi Purpose Centre	1 000.00	no vat	1 000.00	no vat	0.00%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	482.46	550.00	438.60	500.00	10.00%
S40J4	Funeral Tea (three hours)	86.85	99.00	78.95	90.00	10.00%
S40J5	Government Imbizos (per day)	1 485.97	1 694.00	1 350.88	1 540.00	10.00%
S40J6	*Non-fundraising events for Schools, other training institutions and sport & recreation*	175.44	200.00	New	New	
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	212.28	242.00	192.98	220.00	10.00%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	19.30	22.00	17.54	20.00	10.00%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	96.49	110.00	87.72	100.00	10.00%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40J11	Use of kitchen (per event per day)	231.58	264.00	210.53	240.00	10.00%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	231.58	264.00	210.53	240.00	10.00%
S43	**RENTAL: HAWKERS' STALLS, OPEN SPACES & BEACHES**					
S43A	**CBD**					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	19.29	22.00	17.54	20.00	10.00%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	28.95	33.00	26.32	30.00	9.99%
S43B	**Outside the CBD**					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	65.79	75.00	59.65	68.00	10.29%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	28.07	32.00	25.44	29.00	10.34%
S43D	**Public Open Space**					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	26.32	30.00	23.68	27.00	11.15%
S43D2	Funfair, Circus etc per day	627.19	715.00	570.18	650.00	10.00%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	2 846.49	3 245.00	2 587.72	2 950.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S43F	**Beaches**					
S43F1	Beach Rentals - per day (Private functions)	916.66	1 045.00	833.33	950.00	10.00%
S46	**RENTAL: OFFICE**					
S46A	Rental per m² / pm	86.85	99.00	78.95	90.00	10.00%
S46A1	Rental per m² / pm (except the Hermanus area)	43.86	50.00	new	new	
S46A2	NGO's/NPO's per m² / pm	26.32	30.00	new	new	
S46B	Local Municipal Council Functions	no charge	no vat	no charge	no vat	
S48	**RENTAL: SPORT FACILITIES**					
S48A	**Spaces for Sport - Gansbaai**					
S48A1	Club House - per hour (private events)	121.05	138.00	109.65	125.00	10.40%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	60.53	69.00	55.26	63.00	9.53%
S48A4	Sport grounds - Non Overstrand per event	1 192.98	1 360.00	1 084.21	1 236.00	10.03%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	657.90	750.00	597.37	681.00	10.13%
S48A7	Gym fees per month	61.40	70.00	55.26	63.00	11.11%
S48B	**Deposit**					
S48B1	Sport fields	645.00	no vat	585.00	no vat	10.26%
S48B2	Clubhouse	380.00	no vat	350.00	no vat	8.57%
S49	**RENTAL: UNDEVELOPED SERVICED ERVEN**					
S49A	Wetcore Stands - rent per month	26.32	30.00	new	new	
S50	**SCHUSS HOUSES KLEINMOND**					
S50A	Rent per month	714.03	814.00	649.12	740.00	10.00%
S55	**SUNDRY**					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	
S55B1	Administration Cost - RD ACB	50.88	58.00	45.61	52.00	11.55%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R34.21	actual cost + R39.00	actual cost + R30.70	actual cost + R35.00	11.43%
S55B3	Administration Cost - Trace of Direct Deposit	70.18	80.00	63.16	72.00	11.11%
S55C	Copies of Council Agendas and Minutes per **annum**	993.86	1 133.00	903.51	1 030.00	10.00%
S55D1	Copies: A3 page	3.07	3.50	3.07	3.50	0.00%
S55D2	Copies: A3 page Colour	6.58	7.50	6.14	7.00	7.17%
S55D3	Copies: A4 page	2.41	2.75	2.19	2.50	10.00%
S55D4	Copies: A4 page Colour	4.83	5.50	4.39	5.00	9.91%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.38	3.85	3.07	3.50	10.00%
S55F2	Fax per page - 0865/6 numbers	5.79	6.60	5.26	6.00	10.00%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 300.00	no vat	3 000.00	no vat	10.00%
S55G4	Placard / Poster Deposit for Political Parties	3 300.00	no vat	3 000.00	no vat	10.00%
S55H	Placard / Poster each	11.58	13.20	10.53	12.00	10.00%
S55I	Duplicate Account	5.79	6.60	5.26	6.00	10.00%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 332.00	no vat	2 120.00	no vat	10.00%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 332.00	no vat	2 120.00	no vat	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S55k1B	Tender objection deposit (partially upheld - refundable)	1 166.00	no vat	1 060.00	no vat	10.00%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	23.16	26.40	21.05	24.00	10.00%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	125.44	143.00	114.04	130.00	10.00%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	501.75	572.00	456.14	520.00	10.00%
S55L	Advertising Signs Auctioneers per 14days	357.02	407.00	324.56	370.00	10.00%
S55K1	Laminated Cost A3	4.39	5.00	NEW	NEW	
S55K2	Laminated Cost A4	2.19	2.50	NEW	NEW	
S60	**SWIMMING POOL**					
S60A	**Daily Tariffs**					
S60A1	Adults - per person per DAY or part of a day	7.02	8.00	6.14	7.00	14.33%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	72.81	83.00	65.79	75.00	10.67%
S60A5	Training sessions (Schools & Clubs) per season	115.79	132.00	105.26	120.00	10.00%
S60B	**Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)**					
S60B1	Adults - per person per hour or part of a hour	0.88	1.00	0.88	1.00	0.00%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60B4	Galas	72.81	83.00	65.79	75.00	10.67%
S65	**TOP MANAGEMENT CONSULTATIONS**					
S65A1	Consultation Fee (Top Management) per hour	675.44	770.00	614.04	700.00	10.00%
S65A2	Deposit: Consultation	7 700.00	no vat	7 000.00	no vat	10.00%
S72	**TOWN PLANNING: APPLICATION FEES**					
S72A	Amendment of application and conditions	1 640.35	1 870.00	1 491.23	1 700.00	10.00%
S72B	Application for amendment of structure plan or SDF	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72F	Removal of Title Deed Restrictions	2 508.77	2 860.00	2 280.70	2 600.00	10.00%
S72F1	Erven **smaller** than 300 m²	391.23	446.00	NEW	NEW	
S72F2	Erven **larger** than 300 m²	2 732.46	3 115.00	NEW	NEW	
S72H	**Subdivision (cummulative)**					
S72H1	up to 5 erven	3 763.16	4 290.00	3 421.05	3 900.00	10.00%
S72H2	6 to 10 erven	4 438.60	5 060.00	4 035.09	4 600.00	10.00%
S72H3	More than 10	6 271.93	7 150.00	5 701.75	6 500.00	10.00%
S72I1	Application for Consent Uses/Special Consent	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72I1	Application for Consent Uses/Special Consent (Erven smaller than 300m²)	405.26	462.00	368.42	420.00	10.00%
S72J	**Application for Rezoning**					
S72J1	Erven **smaller** than 300 m²	405.26	462.00	368.42	420.00	10.00%
S72J2	Erven **between** and including 300 m² and 5000 m²	3 184.21	3 630.00	2 894.74	3 300.00	10.00%
S72J3	Erven **larger** than 5000 m²	4 438.60	5 060.00	4 035.09	4 600.00	10.00%
S72K	**Departure**					
S72K1A	Application for Departure (Land Use)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72K1B	Application for Departure (Erven smaller than 300m²)	337.72	385.00	307.02	350.00	10.00%
S72K2	Application for Departure/Consent Use (**Building Lines)**					
S72K2A	Erven **smaller** than 300 m²	405.26	462.00	368.42	420.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72K2B	Erven **larger** than 300 m²	1 736.85	1 980.00	1 578.95	1 800.00	10.00%
S72L	Amendment of Approval / Conditions (Sec 4(7) of the Land Use Planning Ordinance, Ordinance 15 of 1985)	1 543.86	1 760.00	1 403.51	1 600.00	10.00%
S72M	Contravention Application (Sec 40 of the Land Use Planning Ordinance, Ordinance 15 of 1985)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72N	Extention of Time	511.40	583.00	464.91	530.00	10.00%
S75	**TOWN PLANNING: LAND USE PLANNING FEE**					
S75A1	Advertising Costs Government Gazette	2 701.75	3 080.00	2 456.14	2 800.00	10.00%
S75A2	Advertising Costs Local newspapers	2 701.75	3 080.00	2 456.14	2 800.00	10.00%
S75A3	Advertising Costs - Placing of Final Notice in the Government Gazette	1 754.39	2 000.00			
S75B	Regulations of Zoning schemes	318.42	363.00	289.47	330.00	10.00%
S75C	Spatial Development Framework	752.63	858.00	684.21	780.00	10.00%
S75D	Zoning Certificate	192.98	220.00	175.44	200.00	10.00%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75F	CD - Planning Documents	318.42	363.00	NEW	NEW	
S80	**TRAFFIC**					
S80J	**Business & Other functions**					
S80J1	Per officer per hour or part thereof - Mon - Sat	337.72	385.00	307.02	350.00	10.00%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	385.97	440.00	350.88	400.00	10.00%
S80J4	Administrative fee for provision of officers - per application	96.49	110.00	87.72	100.00	10.00%
S80K	**Removal of Vehicles/Towing Fee**					
S80K1	Removal of Vehicles per vehicle	810.52	924.00	736.84	840.00	10.00%
S80K2	Storage Fees per day	221.93	253.00	201.75	230.00	10.00%
S80K3	Towing Charge	Cost plus 15%	applicable bat	Cost plus 15%	applicable bat	
S80K4	Wheel Clamping per vehicle	192.98	220.00	175.44	200.00	10.00%
S80L	**Traffic Cones**					
S80L1	Hire of Traffic Cones per Cone	48.25	55.00	43.86	50.00	10.00%
S80P	**Disabled Parking Token**					
S80P1	Disabled Parking Token per application	96.49	110.00	87.72	100.00	10.00%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	**REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)**	**R**	**R**	**R**	**R**	
	DOMESTIC WASTE					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (**R/Month**)	130.18	148.40	122.81	140.00	6.00%
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
	BUSINESS WASTE					
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (**R/Month)**	130.18	148.40	122.81	140.00	6.00%
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	130.18	148.40	122.81	140.00	6.00%
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	260.35	296.80	245.61	280.00	6.00%
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	390.53	445.20	368.42	420.00	6.00%
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	520.70	593.60	491.23	560.00	6.00%
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	650.88	742.00	614.04	700.00	6.00%
SAN1O	Camphill Route **(R/Month)** (If available)	1 022.80	1 166.00	964.91	1 100.00	6.00%
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** Peak Time per removal	195.26	222.60	184.21	210.00	6.00%
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month**) (Sunday or Public Holidays) Peak Time per removal	260.35	296.80	245.61	280.00	6.00%
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	41.84	47.70	39.47	45.00	6.00%
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	111.58	127.20	105.26	120.00	6.00%
SAN1U	Schools **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
SAN1T	Removal outside service area (per removal per hour) (If available)	976.31	1 113.00	921.05	1 050.00	6.00%
SAN1V	Single Quarters & Transit Camps per unit	41.84	47.70	39.47	45.00	6.00%
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
SAN2	**SELF DUMPING TRANSFER STATIONS & DUMPING SITES:**					
SA2B1	Vehicles >1 & up to 2 Ton per load	149.12	170.00	140.35	160.00	6.25%
SA2B2	Vehicles >2 & up to 3 Ton per load	223.68	255.00	210.53	240.00	6.25%
SA2B3	Vehicles >3 & up to 4 Ton per load	298.25	340.00	280.70	320.00	6.25%
SA2B4	Vehicles >4 & up to 5 Ton per load	371.93	424.00	350.88	400.00	6.00%
SA2B5	Vehicles >5 & up to 6 Ton per load (no admission to transfer station, only to dumping sites)	446.49	509.00	421.05	480.00	6.04%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2B6	Vehicles >6 & up to 7 Ton per load (no admission to transfer station, only to dumping sites)	521.05	594.00	491.23	560.00	6.07%
SA2B7	Vehicles >7 & up to 8 Ton per load (no admission to transfer station, only to dumping sites)	585.97	668.00	552.63	630.00	6.03%
SA2B8	Vehicles >8 & up to 9 Ton per load (no admission to transfer station, only to dumping sites)	660.53	753.00	622.81	710.00	6.06%
SA2B9	Vehicles >9 & up to 10 Ton per load (no admission to transfer station, only to dumping sites)	735.09	838.00	692.98	790.00	6.08%
SA2B11	Vehicles >10 Ton per load (no admission to transfer station, only to dumping sites)	883.33	1 007.00	833.33	950.00	6.00%
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**					
SAN4A	All registered erven without approved building plans **(R/Month)**	65.08	74.20	61.40	70.00	6.00%
SAN5	**SUNDRIES**					
SAN5A	Rental of Bulk Container per day (including disposal)	68.86	78.50	64.91	74.00	6.08%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	530.00	no vat	500.00	no vat	6.00%
SAN5C	Asbestos Sheet - per unit	49.30	56.20	46.49	53.00	6.04%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes on programme	771.75	879.80	728.07	830.00	6.00%

THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%

SEWER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service included maximum of 2 (two) vacuum tanker services, only during office hours per month. For after hours service and more than 2 tank services, refer to tariff SE9B.	10.26	11.70	9.65	11.00	6.32%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 4.2 kl - **subsidised**	10.26	11.70	9.65	11.00	6.32%
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service included maximum of 2 (two) vacuum tanker services, only during office hours per month. For after hours service and more than 2 tank services, refer to tariff SE9B.	10.26	11.70	9.65	11.00	6.32%
SE7B	**SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)**					
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**					
SE7C1	per kl (based on 70% of water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE7D	**CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)**					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	10.26	11.70	9.65	11.00	6.32%
SE7E	**CONSUMPTION - DEPARTMENTAL**					
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	91.14	103.90	85.97	98.00	6.02%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	109.65	125.00	130.70	149.00	**-16.11%**
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
	Infrastructure					
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94	**0.00%**
SE9	**SUNDRY CHARGES**					
SE9A	**Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST**					
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A5	Call out fee for Tank Service request but no service due to another defect	419.30	478.00	395.61	451.00	5.99%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	61.40	70.00	57.90	66.00	6.05%
SE9BA	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	838.60	956.00	791.23	902.00	5.99%

SEWER

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		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	838.60	956.00	791.23	902.00	5.99%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	838.60	956.00	791.23	902.00	5.99%
SE9B2	After Hours Businesses with Public Toilets per removal	251.75	287.00	236.84	270.00	6.30%
SE9C	**Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST**					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) plus additional per hour	251.75	287.00	236.84	270.00	6.30%
SE9C2	Normal ApplicableTariff (SE9A1 or SE9A2 or SE9A4)) plus additional per km	12.28	14.00	11.40	13.00	7.72%
	After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) plus additional per hour	251.75	287.00	236.84	270.00	6.30%
SE9C7	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) plus additional per km	12.28	14.00	11.40	13.00	7.72%
SE9D	**Testing and Connection Fees**					
SE9D1	Testing of the septic and conservancy tanks per test	1 050.88	1 198.00	991.23	1 130.00	6.02%
SE9D2	Smallbore sewerage connection fee + tank test	4 824.56	5 500.00	3 118.42	3 555.00	54.71%
SE9D3	Sewer Connection	3 614.91	4 121.00	2 723.68	3 105.00	32.72%
SE9E	**Disposal**					
SE9E1	Charge per kl or part thereof	52.63	60.00	49.28	56.18	6.80%

The cut off time for service delivery on the same day will be at 15:00. Any requests for tanker services after 15:00 will be charged at the after hour rate or will stand over untill the next working day.

SEW10	BULK SERVICES DEVELOPMENT FEES
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy

ELECTRICITY

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			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
ED	**ELECTRICITY CONSUMER DEPOSITS**						
ED2A1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	0.00%
ED2B2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED2C3	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED3A	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	4 166.00	no vat	3 850.00	no vat	8.21%
ED3B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED4A	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	7 033.00	no vat	6 500.00	no vat	8.20%
ED4B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED5A	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 224.00	no vat	7 600.00	no vat	8.21%
ED5B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED6A	Domestic & Commercial Single Phase P/Paid (Two Part Tariff) - Electricity	R	424.00	no vat	400.00	no vat	6.00%
ED7A	Domestic & Commercial Three Phase P/Paid (Two Part Tariff) - Electricity	R	1 304.00	no vat	1 230.00	no vat	6.02%
ED8	Deposit - Registered Indigent	R	138.00	no vat	130.00	no vat	6.15%
EF	**FIXED CHARGES**						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.00%
E1	**SINGLE PHASE : DOMESTIC**						
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	95.96	109.39	88.68	101.10	8.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	130.01	148.22	120.16	136.98	8.20%
E1A4	IBT BLOCK 3 > 600 kWh	c	156.70	178.64	144.83	165.10	8.20%
E1B	**Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)**						
E1B1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	88.64	101.05	81.93	93.40	8.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	122.51	139.67	113.23	129.08	8.20%
E1B4	IBT BLOCK 3 > 600 kWh	c	150.62	171.71	139.20	158.69	8.20%
E1C	**SINGLE PHASE : COMMERCIAL**						
E1C1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
E1C2	kWH Unit cost - Credit Meters	c	133.20	151.85	123.11	140.34	8.20%
E1C3	KwH Unit cost - Pre-paid meters	c	125.52	143.09	116.01	132.25	8.20%
E1D	**Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWH with average measured over twelve month period. Only available to Informal dwellings**						
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	87.90	100.21	81.93	93.40	7.29%
E1E	**One part tariff (Pre-paid meters only) Local Economic Development Projects**						
	kWH Unit cost						
E1E1	IBT BLOCK 1 0 - 350 kWh	c	151.86	173.12	140.35	160.00	8.20%
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**						

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E3E	**Two-Part Tariff: (*up to* 100A,Credit) (70 kVA BDMD) DOMESTIC**						
E3E1	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
	kWH Unit cost						
E3E2	IBT BLOCK 1 0 - 350 kWh	c	95.96	109.39	88.68	101.10	8.20%
E3E3	IBT BLOCK 2 351 - 600 kWh	c	130.01	148.22	120.16	136.98	8.20%
E3E4	IBT BLOCK 3 > 600 kWh	c	156.70	178.64	144.83	165.10	8.20%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid) (70 kVA BDMD) DOMESTIC**						
E3E5	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
	kWH Unit cost						
E3E6	IBT BLOCK 1 0 - 350 kWh	c	88.64	101.05	81.93	93.40	8.20%
E3E7	IBT BLOCK 2 351 - 600 kWh	c	122.51	139.67	113.23	129.08	8.20%
E3E8	IBT BLOCK 3 > 600 kWh	c	150.62	171.71	139.20	158.69	8.20%
E3E	**Two-Part Tariff: (*up to* 100A,Credit)(70 kVA BDMD) COMMERCIAL**						
E3E9	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
E3E10	**kWH Unit cost**	c	133.20	151.85	123.11	140.34	8.20%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid)(70 kVA BDMD) COMMERCIAL**						
E3E11	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
E3E12	**kWH Unit cost**	c	125.52	143.09	116.01	132.25	8.20%
E3G	**One-Part Tariff: (up to 100A,only prepaid) (70 kVA BDMD) Businesses, Flats, Sport grounds, Churches.(minimum of 800kWH average for twelve months)**						
E3G1	**kWH Unit cost**	c	166.29	189.57	153.69	175.21	8.20%
E5	**TIME OF USE TARIFF: Based on Eskom RURAFLEX - *MUNIC* LV OR HV**						
	Service Charge (per month)						
E5A1	≤ 100 kVA	R	600.63	684.72	566.63	645.96	6.00%
E5A2	> 100 kVA & ≤ 500 kVA	R	2 332.53	2 659.08	2 200.50	2 508.57	6.00%
E5A3	> 500 kVA & ≤ 1 MVA	R	6 036.04	6 881.09	5 694.38	6 491.59	6.00%
E5A4	> 1MVA	R	6 964.87	7 939.95	6 570.63	7 490.52	6.00%
	Winter (June, July & August)						
E5A5	Peak kWh Unit Charge	c	394.93	450.22	365.00	416.10	8.20%
E5A6	Standard kWh Unit Charge	c	101.24	115.42	93.57	106.67	8.20%
E5A7	Off Peak kWh Unit Charge	c	53.26	60.71	49.22	56.11	8.20%
E5A8	Reactive Energy	c	6.33	7.22	5.85	6.67	8.20%
	Summer (September to May)						
E5A9	Peak kWh Unit Charge	c	108.77	124.00	100.53	114.60	8.20%
E5A10	Standard kWh Unit Charge	c	65.89	75.12	60.90	69.43	8.20%
E5A11	Off Peak kWh Unit Charge	c	45.53	51.90	42.08	47.97	8.20%
	Sundry Charges						
E5A12	Access Charge (R/kVA/m)	R	16.20	18.47	14.97	17.07	8.20%
E5A13	Reliability Service Charge	c	0.37	0.42	0.34	0.39	8.20%
E5A14	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	766.89	874.25	708.77	808.00	8.20%

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			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**						
E7	**PUBLIC LIGHTING**						
E7A1	Streetlights (metered) per kWh	c	57.35	65.37	53.00	60.42	8.20%
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	20.12	22.93	18.59	21.20	8.20%
E7A5	Illuminated street sign boards per month	R	20.12	22.93	18.59	21.20	8.20%
E8	**CASUAL SUPPLIES**						
E8A1	Per connection includes disconnection excluding hire of kiosk	R	786.40	896.50	714.91	815.00	10.00%
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	5.64	6.43	5.12	5.84	10.00%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	307.02	350.00	307.02	350.00	0.00%
E8A4	Deposit (Usage will be subtracted)	R	1 060.00	no vat	1 000.00	no vat	6.00%
E9	**AVAILABILITY CHARGES**						
E9A1	Availability charge per vacant plot per month	R	204.56	233.20	192.98	220.00	6.00%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.00%
E10	**SUNDRY CHARGES**						
E10A1	Call-out Fee - (office hours)	R	492.11	561.00	447.37	510.00	10.00%
E10A2	Call-out Fee - after hours (Weekdays & Saturdays)	R	742.98	847.00	675.44	770.00	10.00%
E10A3	Call-out Fee - after hours (Sundays & Public Holidays)	R	984.21	1 122.00	894.74	1 020.00	10.00%
E10A4	MV. Switching on Council's equipment (office hours)	R	1 466.66	1 672.00	1 333.33	1 520.00	10.00%
E10A5	MV. Switching on Council's equipment -after hours (Weekdays & Saturdays)	R	2 200.00	2 508.00	2 000.00	2 280.00	10.00%
E10A6	MV. Switching on Council's equipment -after hours (Sundays & Public holidays)	R	2 933.34	3 344.00	2 666.67	3 040.00	10.00%
E10A7	Contractor Inspection 2nd	R	492.11	561.00	447.37	510.00	10.00%
E10A8	Contractor Inspection 3rd	R	742.98	847.00	675.44	770.00	10.00%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval	R	414.91	473.00	377.19	430.00	10.00%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval	R	820.17	934.99	745.61	850.00	10.00%
E10A11	Disconnection	R	241.23	275.00	219.30	250.00	10.00%
E10A12	Reconnection	R	241.23	275.00	219.30	250.00	10.00%
E10A13	Verification of a Meter Reading	R	241.23	275.00	219.30	250.00	10.00%
E10A14	Administration fee - recalculation due to no meter access	R	125.44	143.00	114.04	130.00	10.00%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	443.86	506.00	403.51	460.00	10.00%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	916.66	1 045.00	833.33	950.00	10.00%
E10A17	Tariff change - change between one part and two-part	R	164.03	187.00	149.12	170.00	10.00%
E10A18	Damage elect meter (based on meter cost + call out X 2 + 15%)	R	1 061.40	1 210.00	964.91	1 100.00	10.00%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2 + 15%)	R	1 669.29	1 903.00	1 517.54	1 730.00	10.00%
E10A20	Damage of Bulk meter	R	8 539.48	9 735.00	7 763.16	8 850.00	10.00%
E10A21	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	492.11	561.00	447.37	510.00	10.00%
E10A22	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	8 539.48	9 735.00	7 763.16	8 850.00	10.00%
E10A23	Commission of Bulk meter, supplied by customer (callout x 3)	R	1 485.97	1 694.00	1 350.88	1 540.00	10.00%

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E10A24	Damage of HV Cable	R	cost + R27,500.00	Applicable Vat	cost + R25,000.00	Applicable Vat	10.00%
E10A25	Damage of MV Cable	R	cost + R7,188.60	Applicable Vat	cost + R6,535.09	Applicable Vat	10.00%
E10A26	Damage of LV Cable	R	cost + R2,894.74	Applicable Vat	cost + R2,631.58	Applicable Vat	10.00%
E10A27	Damage of Service Connection Cable	R	cost + R723.68	Applicable Vat	cost + R657.89	Applicable Vat	10.00%
E10A28	Working without Way leave	R	3 710.00	4 229.40	3 500.00	3 990.00	6.00%
E10A29	Refundable Wayleave **deposit** for HV cables	R	53 000.00	no vat	50 000.00	no vat	6.00%
E10A30	Refundable Way leave **deposit** for MV cables	R	13 250.00	no vat	12 500.00	no vat	6.00%
E10A31	Refundable Way leave **deposit** for LV cables	R	2 862.00	no vat	2 700.00	no vat	6.00%
E10A32	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A33	Erection of Banners, signs & lights	R	1 100.00	1 254.00	1 000.00	1 140.00	10.00%
E12	**CONVERSION OF METERS**						
E12A1	Convert Credit Meter to P/P: SP (no cable work) (based on meter cost + call out X 2 +15%)	R	849.12	968.00	771.93	880.00	10.00%
E12A2	Convert Credit Meter to P/P: 3P (no cable work) (Based on meter cost + call out X 2 +15%)	R	3 087.72	3 520.00	2 807.02	3 200.00	10.00%
E12A3	Convert Credit Three Phase to Singe Phase P/P meter	R	1 035.09	1 180.00	NEW	NEW	
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	781.58	891.00	710.53	810.00	10.00%
E12A5	Convert P/P Single Phase to Three Phase PP (based on tariff E13A6) cost included cable to boundary	R	R7,931.58 + ext fee	Applicable Vat	R7,210.53 + ext fee	Applicable Vat	10.00%
E12A6	Convert P/P Three Phase to Single Phase PP (based on meter cost = call out x 2 = CB = 15%)	R	1 061.40	1 210.00	964.91	1 100.00	10.00%
E12A7	Removal of Meter		492.11	561.00	447.37	510.00	10.00%
E12A8	Repositioning of Meter (excl. cable)	R	492.11	561.00	447.37	510.00	10.00%
E12A9	Repositioning of Meter (incl. cable)	R	1 206.14	1 375.00	1 096.49	1 250.00	10.00%
E13	**SERVICE CONNECTIONS**						
E13A1	Builders connection (plus applicable service connection tariff)	R	636.85	726.00	578.95	660.00	10.00%
E13A2	Upgrade Service Connection up to 60 Amp (Network permitted) contact Electricity Department for approval	R	12 833.34	14 630.00	11 666.67	13 300.00	10.00%
E13A3	Other up grading per Amp	R	376.32	429.00	342.11	390.00	10.00%
E13A4	Single Phase (Credit - 60A) option for Commercial users only	R	4 293.86	4 895.00	3 903.51	4 450.00	10.00%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted)	R	4 293.86	4 895.00	3 903.51	4 450.00	10.00%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee	R	R7,931.58 + ext fee	Applicable Vat	R7,210.53 + ext fee	Applicable Vat	10.00%
E13A8	Three Phase : (Pre-Paid - 60A) Plus Extension fee	R	R9,166.67 + ext fee	Applicable Vat	R8,333.33 + ext fee	Applicable Vat	10.00%
E13A9	Non Standard : Pre-paid 30 Amp Single phase	R	2 605.26	2 970.00	2 368.42	2 700.00	10.00%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only	R	1 206.14	1 375.00	1 096.49	1 250.00	10.00%
E13A11	Single Phase (Pre-Paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted)	R	1 119.29	1 276.00	1 017.54	1 160.00	10.00%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary)	R	R2,460.52 + ext fee	Applicable Vat	R2,236.84 + ext fee	Applicable Vat	10.00%
E13A13	Three Phase (Pre-Paid 60A-Developer install cable to boundary)	R	R2,460.52 + ext fee	Applicable Vat	R2,236.84 + ext fee	Applicable Vat	10.00%

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E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
E14	**REMEDIAL ACTION FEE (TAMPERING) (Including damage or bypass of the DSM Hot Water Cylinder Control Unit**						
E14A1	1 st Offence	R	2 937.00	no vat	2 670.00	no vat	10.00%
E14A2	2 nd Offence	R	4 400.00	no vat	4 000.00	no vat	10.00%
E14A3	3 rd Offence		Cost of new Connection plus 50%	Applicable Vat	Cost of new Connection plus 50%	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit) **plus reconnection fee**	R	1 315.79	1 500.00	NEW	NEW	
E15	**UPGRADING EXTENSION FEES**						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply excluding Dist. TF	R	1 630.71	1 859.00	1 482.46	1 690.00	10.00%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	2 875.44	3 158.80	2 614.04	2 980.00	10.00%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF (Domestic)	R	4 086.40	4 658.50	3 714.91	4 235.00	10.00%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk (Domestic)	R	5 133.34	5 852.00	4 666.67	5 320.00	10.00%
E15A5	Buying/Refund of spare capacity cost/kVA	R	50% of approved installation cost	Applicable VAT	50%	Applicable VAT	
E15A6	Investigation Fee	R	2 942.98	3 355.00	2 675.44	3 050.00	10.00%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
E16	**BULK SERVICES CONTRIBUTION LEVY (BICL)**						
E16A1	**Sub Division of existing erf**						
E16A1A	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** STANDARD CONNECTION FEES	R	24 966.67	28 462.00	23 333.33	26 600.00	7.00%
E16A2	**New Developments**						
E16A2A	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	14 285.18	16 285.11	9 921.05	11 310.00	43.99%
E16A2B	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	43 476.65	49 563.38	30 149.12	34 370.00	44.21%
E16A2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	2 797.37	3 189.00	2 614.04	2 980.00	7.01%
E16A2D	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	3 975.44	4 532.00	3 714.91	4 235.00	7.01%
E17	**WHEELING TARIFF**						
E17A1	Firm network situation (network will not be interupted under normal operations	c	17.37	19.80	15.79	18.00	10.00%
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh	c	10.61	12.10	9.65	11.00	10.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
WD	**CONSUMER DEPOSITS**					
WD1A	Domestic - Water	901.00	no vat	850.00	no vat	6.00%
WD1B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD2A	Commercial - Water - Consumption < 40kl	2 067.00	no vat	1 950.00	no vat	6.00%
WE2B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD3A	Commercial - Water - Consumption 40 - 100kl	7 722.00	no vat	7 285.00	no vat	6.00%
WD3B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD4A	Commercial - Water - Consumption 100 kl +	12 137.00	no vat	11 450.00	no vat	6.00%
WD4B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD5A	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD5B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD6	Indigent - registered	138.00	no vat	130.00	no vat	6.15%
W1	**BASIC CHARGE**					
W1A1	Basic Monthly Charge per erf/unit per month	102.28	116.60	96.49	110.00	6.00%
W1A3	Fixed Infrastructure Basic Charge per erf/unit per month	15.45	17.61	15.45	17.61	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.25	3.71	3.07	3.50	6.00%
W1B2	7 - 18 kl per kl	8.60	9.80	8.11	9.25	6.00%
W1B3	19 - 30 kl per kl	13.95	15.90	13.16	15.00	6.00%
W1B4	31 - 45 kl per kl	21.48	24.48	20.26	23.10	6.00%
W1B5	46 - 60 kl per kl	27.90	31.81	26.32	30.00	6.00%
W1B6	>60kl per kl	37.20	42.40	35.09	40.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1B7	0 - 6 kl per kl	4.23	4.82	3.99	4.55	6.00%
W1B8	7 - 18 kl per kl	11.18	12.74	10.54	12.02	6.00%
W1B9	19 - 30 kl per kl	18.13	20.67	17.11	19.50	6.00%
W1B10	31 - 45 kl per kl	27.92	31.83	26.34	30.03	6.00%
W1B11	46 - 60 kl per kl	36.27	41.35	34.22	39.01	6.00%
W1B12	>60kl per kl	48.35	55.12	45.62	52.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1B13	0 - 6 kl per kl	5.21	5.94	4.91	5.60	6.00%
W1B14	7 - 18 kl per kl	13.75	15.68	12.98	14.79	6.00%
W1B15	19 - 30 kl per kl	22.32	25.43	21.06	23.99	6.00%
W1B16	31 - 45 kl per kl	34.36	39.17	32.42	36.95	6.00%
W1B17	46 - 60 kl per kl	44.64	50.89	42.11	48.01	6.00%
W1B18	>60kl per kl	59.51	67.84	56.14	64.00	6.00%
	Restriction Tariff (level 3 restrictions)					

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B19	0 - 6 kl per kl	6.51	7.42	6.14	7.00	6.00%
W1B20	7 - 18 kl per kl	17.19	19.60	16.22	18.49	6.00%
W1B21	>18 kl per kl	74.39	84.80	70.18	80.00	6.00%
W1C	**CONSUMPTION - ALL OTHER**					
	Normal Tariff					
W1C1	0 - 18 kl per kl	8.60	9.80	8.11	9.25	6.00%
W1C2	19 - 30 kl per kl	13.95	15.90	13.16	15.00	6.00%
W1C3	31 - 45 kl per kl	21.48	24.48	20.26	23.10	6.00%
W1C4	46 - 60 kl per kl	27.90	31.81	26.32	30.00	6.00%
W1C5	>60 kl per kl	37.20	42.40	35.09	40.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1C6	0 - 18 kl per kl	11.18	12.74	10.54	12.02	6.00%
W1C7	19 - 30 kl per kl	18.13	20.67	17.11	19.50	6.00%
W1C8	31 - 45 kl per kl	27.92	31.83	26.34	30.03	6.00%
W1C9	46 - 60 kl per kl	36.27	41.35	34.22	39.01	6.00%
W1C10	>60 kl per kl	48.35	55.12	45.62	52.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1C11	0 - 18 kl per kl	13.75	15.68	12.98	14.79	6.00%
W1C12	19 - 30 kl per kl	22.32	25.43	21.06	23.99	6.00%
W1C13	31 - 45 kl per kl	34.36	39.17	32.42	36.95	6.00%
W1C14	46 - 60 kl per kl	44.64	50.89	42.11	48.01	6.00%
W1C15	>60 kl per kl	59.51	67.84	56.14	64.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1C16	0 - 10 kl per kl	17.19	19.60	16.22	18.49	6.00%
W1C17	>10 kl per kl	74.39	84.80	70.18	80.00	6.00%
W1D	**OTHER CONSUMERS**					
W1D1	Departmental per Kl	13.95	15.90	13.16	15.00	6.00%
W1D2	Fire Hoses: Basic per Month	130.18	148.40	122.81	140.00	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.16	12.72	10.53	12.00	6.00%
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.05	1.13	0.99	1.13	0.00%
W1D7	Contractors water consumption - temporary connection	13.95	15.90	13.16	15.00	6.00%
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**					
	Normal Tariff					
W1E1	0 - 500kl per kl	13.95	15.90	13.16	15.00	6.00%
W1E2	501 - 1000kl per kl	20.92	23.85	19.74	22.50	6.00%
W1E3	>1000kl per kl	27.90	31.81	26.32	30.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1E4	0 - 300kl per kl	18.13	20.67	17.11	19.50	6.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1E5	301 - 700kl per kl	27.20	31.01	25.66	29.25	6.00%
W1E6	>700kl per kl	36.27	41.34	34.22	39.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1E7	0 - 250kl per kl	22.32	25.44	21.06	24.00	6.00%
W1E8	251 - 500kl per kl	33.48	38.16	31.58	36.00	6.00%
W1E9	>500kl per kl	44.64	50.88	42.11	48.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1E10	0 - 100kl per kl	27.90	31.81	26.32	30.00	6.00%
W1E11	>100 kl per kl	55.80	63.60	52.64	60.00	6.00%
W1F	**WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days**					
	Normal Tariff					
W1F1	0 - 5800kl per kl	13.03	14.85	11.27	12.85	15.62%
W1F2	> 5800kl per kl	27.90	31.81	26.32	30.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1F3	0 - 5800kl per kl	16.94	19.31	14.65	16.70	15.62%
W1F4	> 5800kl per kl	36.27	41.34	34.22	39.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1F5	0 - 5800kl per kl	20.85	23.77	18.03	20.56	15.62%
W1F6	> 5800kl per kl	44.64	50.88	42.11	48.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1F7	0 - 5 800kl per kl	26.06	29.71	22.54	25.70	15.62%
W1F8	>5 800 kl per kl	55.80	63.60	52.64	60.00	6.00%
W2A	**AVAILABILITY CHARGES**					
W2A1	Overstrand per month	102.28	116.60	96.49	110.00	6.00%
W2A2	Farms connected to water pipe line	102.28	116.60	96.49	110.00	6.00%
W2J	**REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**					
W2J1	Kl above average - per kl	13.95	15.90	13.16	15.00	6.00%
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**					
W3A1	Use and pump water (80-90 min) per annum Stanford	212.94	242.75	200.88	229.00	6.00%
W3A2	Pearly Beach Small Holdings: Basic	38.11	43.45	35.97	41.00	5.96%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	2.98	3.40	2.81	3.20	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	6.97	7.95	6.58	7.50	6.00%
W3A5	Others	2.98	3.40	2.81	3.20	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**					
W3B2	Hermanus Golf Club per month	33 938.59	38 690.00	32 017.54	36 500.00	6.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W3B3	All other per kl	1.89	2.15	1.75	2.00	8.00%
W3B4	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no charge	no charge	no charge	
W3B5	Curro Holdings - 250kl free per day as per deed of sale	1.89	2.15	1.75	2.00	8.00%
W4	**SUNDRY CHARGES**					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	657.90	750.00	530.70	605.00	23.97%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) ***Minimum charge of R500**					
W4A3	Disconnection	297.54	339.20	280.70	320.00	6.00%
W4A4	Reconnection	297.54	339.20	280.70	320.00	6.00%
W4A5	Reconnection After Normal Working Hours	595.08	678.40	561.40	640.00	6.00%
W4A6	Administration fee - recalculation due to no meter access	116.23	132.50	109.65	125.00	6.00%
W4A7	Verification of a Meter Reading	162.72	185.50	153.51	175.00	6.00%
W4A8	Final and Special Readings	148.77	169.60	140.35	160.00	6.00%
W4A9	Call-out Fee - Normal Working Hours	297.54	339.20	280.70	320.00	6.00%
W4A10	Call-out Fee - After Hours	595.08	678.40	561.40	640.00	6.00%
W4A11	Registration of Borehole (Including inspection fee)	223.16	254.40	210.53	240.00	6.00%
W4A12	Repositioning of Meter (excl. pipe)	655.53	747.30	618.42	705.00	6.00%
W4A13	Convert to Water Flow Restrictor Meter	2 134.21	2 433.00	2 013.16	2 295.00	6.01%
W4A14	Temporary Connections - Deposit	5 618.00	no vat	5 300.00	no vat	6.00%
W4A15	Temporary Connection - Usage per kl	10.53	12.00	9.65	11.00	9.12%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,268.40	Applicable vat	Actual cost plus R2,120.00	Applicable vat	7.00%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R567.10	Applicable vat	Actual cost plus R530.00	Applicable vat	7.00%
W5	**REMEDIAL ACTION FEE (TAMPERING)**					
W5A1	1st Offence	4 982.00	no vat	4 700.00	no vat	6.00%
W5A2	2nd Offence Total disconnection/removal of connection	Total disconnection		Total disconnection		
W6	**CONNECTION FEE**					
W6A1	20 mm Connection Conventional Meter	3 650.00	4 161.00	1 929.83	2 200.00	89.14%
W6A2	20 mm Connection Water Flow Restrictor Meter	4 335.09	4 942.00	NEW	NEW	
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	949.12	1 082.00	894.74	1 020.00	6.08%
W7	**BULK SERVICES DEVELOPMENT FEES**					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

OVERSTRAND MUNICIPALITY

ANNEXURE TO WATER TARIFFS

ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS – 2014/15

Clinics – Out patients	□ 1 RUE
Flats	□ 1 RUE per unit
Guest houses and B & B's	□ 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	□ Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
Old Age Homes, Hostels & Boarding School	□ 1 RUE per 7 Beds
Retirement Villages, Hospital & Hospice	□ 1 RUE per 1 residential unit □ 1 RUE per 7 Beds
Single Residential erven	□ 1 RUE
Townhouse and group developments	□ 1 RUE per unit

RUE = Residential Unit Equivalent

OVERSTRAND MUNICIPALITY
TARIFFS FOR RESORTS FOR THE 2014/15 FINANCIAL YEAR

All tariffs include Value Added Tax (VAT) – Where applicable

A deposit of 50% of the total amount payable is applicable to secure the booking. On cancellation of the booking, an admin fee of 15% will deducted from the deposit. On cancellation of the booking less than 14 days prior to the commencement of the holiday, the deposit **will not** be paid back.

PALMIET AND KLEINMOND CARAVAN PARKS				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R33.00 per stand per day.
- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of 2 units = R25.00 per unit per day.
- Day visitors for campers up to a maximum of four (4)* = R47.00 per person per day and R35.00 for a vehicle.
  (*) Special arrangements must be made with the Camp Manager to allow day visitors
- Children under two (2) years are free and children under twelve (12) years at half price.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - ❖ may get a discount of 50% on the stands;
  - ❖ Qualify for a reduced tariff of R2,211.00 for a period of 30 days.
- Gate Card / Key Deposit R120.00 per set (refundable).
- Long Term rental R700.00 per month plus R160.00 per month for Electricity.

KLEINMOND : FRANK ROBB HUT	
Camping per person (max 10 persons) per day	R77.00

ONRUS CARAVAN PARK				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R33.00 per stand per day.
- The above tariffs include for up to four (4) persons and 1 vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of two (2) units = R25.00 per unit per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Daily Functions (pre-arrangement) = R121 per day
- Long Term Rental = R 11,235.00 pa **plus the following**:
  - Pergola with covering = R 94.00 pm (R1,128.00 pa)
  - Water tap = R 20.00 pm (R240.00 pa)
  - Structure for storing purposes = R 20.00 pm (R240.00 pa)
  - Permanent fireplace structure = R 20.00 pm (R240.00 pa)
  - Electricity per stand = R 68.00 pm (R816.00 pa)
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - ❖ may get a discount of 50% on the stands;
  - ❖ qualify for a reduced tariff of R2,211.00 for a period of 30 days
- Full 30 day Rental = R2,700.00
- Gate Card / Key Deposit R120.00 per set (refundable).

OVERSTRAND MUNICIPALITY
TARIFFS FOR RESORTS FOR THE 2014/15 FINANCIAL YEAR

GANSBAAI CARAVAN PARK				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R220.00	R182.00	R154.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R165.00	R154.00	R143.00

- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat = R33.00 per unit per day.
- Day visitors for campers up to a maximum of four (4) = R35.00 per person per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Long Term Rental = R 6,490.00 pa.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older.

HAWSTON DAY CAMPING SITE		
ITEM	**Low Season 01 February – 30 November (Excluding Easter Weekend)**	**High Season 01 December – 31 January & Easter Weekend**
	Per Day	**Per Day**
Camping Sites	R 83.00	R 154.00
Picnic Fees : Per Vehicle (excluding buses > 20 seats) + persons	R 11.00	R 11.00
: Per Bus > 20 seats + persons	R 132.00	R 132.00
Adults (per person)	R 11.00	R 11.00
Children (per child < 12)	R 3.00	R 4.00

- The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat.
- Additional vehicle or small trailer or small boat = R33.00 per unit per day.
- Events – partial or whole day camp site, per day or portion of the day = R440.00 per day.
- Events – community based – partial or whole day camp site, per day or portion of the day = R110.00.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older).

NOTE:

All tariffs include Value Added Tax (VAT) – Where applicable

1. The developer will be responsible for the payment of development contributions in accordance with the relevant legislation and as determined by Council. The calculation methodology as listed below will generally be used as a guideline to determine the development contributions. The Council may deviate from this guideline in accordance with the relevant legislation particularly where large developments with significant impact on services are being processed. The developer may be required by the council to provide bulk services in lieu or in part of the payment of development contributions. The Council may revise the Development Contribution Policy at any stage.

2. Gap Housing: Municipal land made available by the Municipality for the purposes of housing specific with reference to the GAP market for households with an income between R 3501 – R 18 000 per month.
   - Gap Housing 50% of Standard

3. Government Subsidised Housing: Low Cost Housing Projects funded by the Department of Human Settlements.
   - Government Subsidised Housing 0% Development Contribution

4. High Density Units: High and Medium density Residential Developments for example flats, town houses, retirement units, etc.
   - High Density Units up to 2 bed rooms (R/Unit) 50% of Standard
   - High Density Units more than 2 bed rooms (R/Unit) 75% of Standard

5. Second Dwellings
   - No development contribution will be applicable as long as the normal standard water, electricity and sewerage connections for single units are used. If upgraded connections are required, the normal development contributions listed in paragraph 6 below will be applicable.

6. Tariffs

6.1 Water: Standard Fee per equivalent unit R23,444.00

6.2 Electricity:

E16	Second Dwelling	R	VAT EXCL	VAT INCL
E16A1	**Sub Division of Existing Erf**			
E16A1A	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS Standard Connection Fees	R	24,966.67	28,462.00
E16A2	**New Developments**			
E16A2A	Standard fee per Single Phase Domestic erf – Infrastructure provide by Developer (13.8 kVA xE15A2 x.36)	R	14,285.18	16,285.11
E16A2B	Standard fee per Three Phase Domestic erf – Infrastructure provide by Developer (42kVA x E15A2x.36)	R	43,476.65	49,563.38
E16A2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	2,797.37	3.189.00
E16A2D	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	3,975.44	4,532.00

6.3 Sewerage:
   - SE5A Standard Fee per Equivalent Unit R18,816.00

6.4 Roads and Storm Water:

- RDST1 Standard Fee per Equivalent Unit R6,132.00

6.5 Off-Grid Development/Units:
As per signed agreement as recommended by the
Director: Infrastructure and Planning and approval by the Municipal Manager.

7. **OFF-GRID DEVELOPMENT/UNITS**:

As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager.

8. All above prices **INCLUDES** Value Added Tax (V.A.T.)

9. The following evaluation/investigation levies are payable over and above the bulk service levies:

WATER & SANITATION LEVIES EVALUATION FOR DEVELOPMENT APPLICATIONS

No. of equivalent units	Cost per water service	Cost per Sanitation service
1 - 4	No Charge	No Charge
5 - 10	R 6,370.00	R 6,752.00
11 – 25	R10,670.00	R 11,311.00
26 - 50	R 14,970.00	R 15,869.00
51 - 100	R 17,040.00	R 18,063.00
101 – 250	R 19,098.00	R 20,244.00
251 – 500	R 22,369.00	R 23,712.00
501 – 2000	R 25,125.00	R 26,633.00
2000 – 5000	R 30 110.00	R 31,917.00
> 5001	R 34,410.00	R 36,475.00

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
1	**PRINGLE BAY RATEPAYERS ASSOCIATION**	**MR D MUIRHEAD**	27-Apr-14						(i)ROAD UPGRADES (ii) BEACH ACCESS ROUTES (iii) LAW ENFORCEMENT
	The contents of this submission is noted and management will ensure that Ward Committee Meetings are utilized as a vehicle to report back on planning and implementation, in order to ensure that the community is informed in this regard.								
2	**VILLA ANADIA HOME OWNERS ASSOCIATION**	**MR A MORRISON**	31-Mar-14	CONNECTION FEE - CONVENTIONAL WATER METER (W6A1)					
	The Tariff W6A1 now reflects the actual cost for the particular service. This tariff compares favourable with the same cost charged by neighbouring municipalities.								
3	**KLEINBAAI BELASTINGBETALERS & INWONERS VERENIGING**	**MR J WIESE**	21-Apr-14				(i)15 % INCREASE UNREASONABLE; (ii) NO INCREASE ON VACANT ERVEN IS NOT FAIR		(iii)SUNDRY TARIFFS-KLEINBAAI SLIPWAY-INCREASE KELP COLLECTORS TARIFF & DISTINGUISH BETWEEN SPORT & COMMERCIAL FISHING TARIFF (iv) OTHER CONCERNS: SIDEWALK MAINTENANCE, PLOT CLEARING, REFUSE REMOVAL, PROBLEMS AT PLAY PARK & TIDAL POOL AND LAW ENFORCEMENT
	The contents of this submission are noted and the proposals on the particular tariffs have been considered . The substantial increase of 63.5% on property rates in respect of vacant erven/undeveloped land as from 1 July 2013, was considered amongst other factors, by the Budget Steering Committee, in the final determination of the proposed property rates tariff structure. Although the rate of increases in property rates has lagged in the past years and therefore had to be adjusted, it is regarded as a fair and responsible decision to exclude undeveloped land from an increase as from 1 July 2014, based on the previous hike as mentioned, also taking into account that availability charges are applicable on undeveloped land as well.								
4	**STANFORD BELASTINGBETALERS VERENIGING (OKKIE SMUTS LAERSKOOL KOSHUIS)**	**MR R. D BROOM**	26-Apr-14	RELIEF ON TARIFFS (AS A RESULT OF SCHOOL'S BUDGET DEFICIT)	RELIEF ON TARIFFS (AS A RESULT OF SCHOOL'S BUDGET DEFICIT)				
	When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. The most beneficial option in terms of the approved tariffs has been approved for the school, with specific reference to the hostel facility.								
5	**STANFORD LANDBOU VERENIGING**	**MR IL TERBLANCHE**			SEWER VACUUM TAKER SERVICE OUTSIDE RESIDENTIAL AREA. OBJECTION AGAINST SE9C6 &SE9C7 (HOUR & KM TARIFF)				
	Input costs for these services were taken into account to ensure that the tariff is cost reflective. In this instance, the tariff relates to the costs to render the particular service outside the residential area.								

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
6	**HERMANUS RATEPAYERS ASSOCIATION**	**MR B STANWAY**	14-Apr-14						EFFIENCIENCY &PRODUCTIVITY IMPROVEMENTS, HPP'S TOP SLICE FUNDING SPENT OPTIMALLY, CDB REVITALISATION INVESTIGATION
	The contents of this submission is noted. Spending of funds by Hermanus Public Protection must be audited annually in terms of relevant legislation. The following projects have been completed by the Municipality in terms of the implementation of the "Renewal, Conservation and Development of the Hermanus Central Business Area" plan: 1. Cliff Tops Upgrade (amphitheatre, cliff path, parking) 2. Upgrade Gearings Point (parking, landscaping, whale watching point) 3. Upgrade Market Square (stalls, parking, public toilets) 4. Construct Relief Road 5. Develop the Station Commercial Precinct: Phase I (Checkers) and Phase II (Woolworths) - including additional parking 6. Marine Drive parking upgrade - parking and sidewalk The following projects are outstanding: 1. Redevelop the parking area behind Jet Stores (old Woolworths) - planning completed 2. Redevelop the Hermanus Taxi Rank - no funding available at present 3. Pedestrianise Main Road - in discussions with the Dept. of Transport to de-proclaim the road.								
7	**INDIVIDUAL**	**MR P VAN ZYL**	08-Apr-14				15 % INCREASE UNREASONABLE		HISTORIC DECISIONS RELATING TO TARIFFS, COST STRUCTURES, SPENDING ON LIBRARIES, VACANT POST STRATEGY AND LOCAL ECONOMIC DEVELOPMENT SUGGESTIONS
	The contents of this submission is noted and management will ensure that suggestions received will be revisited in order to ensure that all viable options are explored.								
8	**INDIVIDUAL**	**MR D OOSTHUIZEN**	16-Apr-14	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	HIGH INCREASE IN SALARY BUDGET	HIGH INCREASE IN CONTRACTED SERVICES
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of our biggest complaints relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of this report. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency.								

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
9	**INDIVIDUAL**	**MR P HENDRIKSZ**	21-Apr-14	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE		
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class.								
10	**TUSCAN VILLAS HUISEIENAARSVERENIGING**	**DR CJ VAN VUUREN**	30-Apr-14	REQUEST TO CONSIDER TO WAIVE BASIC CHARGE FOR WATER & SEWERAGE CHARGES FOR HOA					
	The contents of this submission is noted. The tariffs for the various services are structured to ensure financial sustainability of the Municipality. The Home Owners Association will be advised of options available to them in terms of the approved tariffs, which will entail consideration amongst residents of this development.								
11	**KLEINMOND BELASTINGBETALERS VERENIGING**	**MR JW VAN STADEN**	28-Apr-14	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	HIGH REMUNERATION PACKAGES FOR SENIOR MANAGEMENT & COUNCILLORS	DEFICIT ON IE BUDGET & DECREASE IN CAPEX
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of the biggest concerns relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of this report. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency.								
12	**INDIVIDUAL**	**MR P LOUW**	28-Apr-14				OBJECTION AGAINST RATES INCREASE	HIGH REMUNERATION PACKAGES FOR SENIOR MANAGEMENT & COUNCILLORS	

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
	1 We believe that costs in services have been cut to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February it was explained in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of the biggest concerns relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of this report. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency. We furthermore do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates.								
13	**FYNBOS PARK**	**MR JJ HAMMAN**	22-Apr-14			OBJECTION AGAINST THE REFUSE TARIFF FOR SECTIONAL TITLE HOLDERS			
	The Refuse (Solid Waste) tariff includes the following functions: 1. Refuse collection at businesses, households and industries 2. Street cleaning 3. Cleaning of public places (beaches, taxi ranks, parks, etc.) 4. Provision, Operation and Maintenance of drop-off facilities and refuse transfer stations 5. Recycling 6. Transportation of refuse to disposal facilities 7. Provision, Operation and Maintenance of Waste Disposal Facilities 8. Administration (billing, licencing of facilities, annual audits of facilities, legal compliance, IT, HR, etc.) The objection as received is mainly addressing one element of the tariff namely the collection of refuse at sectional title units. This comprises a small part of the tariff. For the sake of uniformity, simplicity and equality, the Municipality decided to base the refuse tariff on a residential unit.								
14	**INDIVIDUAL**	**MR DC SCHOLTZ**	29-Apr-14			OBJECTION AGAINST THE REFUSE TARIFF FOR SECTIONAL TITLE HOLDERS			
	The Refuse (Solid Waste) tariff includes the following functions: 1. Refuse collection at businesses, households and industries 2. Street cleaning 3. Cleaning of public places (beaches, taxi ranks, parks, etc.) 4. Provision, Operation and Maintenance of drop-off facilities and refuse transfer stations 5. Recycling 6. Transportation of refuse to disposal facilities 7. Provision, Operation and Maintenance of Waste Disposal Facilities 8. Administration (billing, licencing of facilities, annual audits of facilities, legal compliance, IT, HR, etc.) The objection as received is mainly addressing one element of the tariff namely the collection of refuse at sectional title units. This comprises a small part of the tariff. For the sake of uniformity, simplicity and equality, the Municipality decided to base the refuse tariff on a residential unit.								

OVERSTRAND MUNICIPALITY

BUDGET REPORT

2014/2015

2014/15 TO 2016/17
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- **At the offices of all Area Managers**
- **All public libraries within the municipality**
- **At www.overstrand.gov.za**

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Abbreviations and Acronyms

BSC	Budget Steering Committee
CAPEX	Capital Budget/Expenditure
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
ICT	Information & Communication Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
OHS	Occupational Health and Safety
OP	Operational Plan
OPEX	Operating Budget/Expenditure
OMAF	Overstrand Municipal Advisory Forum
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PT	Provincial Treasury
RG	Restructuring Grant
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

The Executive Mayor delivers her Budget speech with the tabling of the final budget for approval. A copy of the speech will be included thereafter.

The revised IDP and SDBIP will also be tabled during the Council meeting.

1.2 Council Resolution

The following is the resolution that will be considered for the approval and adoption of the annual budget for 2014/2015:

RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2014/15 to 2016/17 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved and adopted** as set out in the following schedules:

   Schedule 1: Budgeted financial performance (revenue & expenditure by municipal vote)
   Schedule 2: Budgeted financial performance (revenue by source & expenditure by type)
   Schedule 3: Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
   Schedule 4: Budgeted financial position
   Schedule 5: Budgeted cash flow
   Schedule 6: Cash backed reserves and acc. surplus reconciliation
   Schedule 7: Asset management
   Schedule 8: Basic service delivery measurement

2. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the property rates reflected in **Annexure A, be imposed** for the budget year 2014/15;

3. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs and charges reflected in **Annexure A, be approved** for the budget year 2014/15;

4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the third year of the approved lending programme for an external loan of R40 million;

5. that the following schedules be noted:

   Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification)
   Schedule 10: Budgeted capital appropriations by municipal vote

6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures G and H respectively of the

budget report; and

7. that **cognisance be taken** of the 2014/2015 Budget Report.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-core and 'nice to have' items.

The Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is now a strategic objective.

National Treasury's MFMA Circular No. 70 was used as guidance for the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ever aging water, roads, sewage and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality;
- The increased cost of bulk electricity (due to tariff increases by Eskom in excess of inflation), which is placing upward pressure on service tariffs to residents. Continuous high bulk tariff increases are not sustainable, as there will be point where services will no longer be affordable;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and
- Maintaining a positive cash flow.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/2014 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget informed the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable. The rate of increases in property rates has lagged in the past years and therefore had to be adjusted;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of bulk electricity, fuel and chemicals. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The mayoral committee introduced cost saving measures relating to:
    - Grants-in-aid to organisations;
    - Events and tourism;
    - Ward projects allocations;
    - Baboon monitors

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

	Budget Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17			
Revenue	743 363	784 474	855 339	911 867	5.53%	9.03%	6.61%
Expenditure	828 389	869 588	951 383	1 012 847	4.97%	9.41%	6.46%
Surplus / (Deficit)	(85 026)	(85 115)	(96 044)	(100 980)			
Capital	126 482	97 721	86 162	80 118	-22.74%	-11.83%	-7.01%

Total operating revenue has grown by 5,53 per cent for the 2014/15 financial year when compared to the 2013/2014 Adjustments Budget. For the two outer years, operational revenue will increase by 9,03 and 6,61 per cent respectively. The higher increase for 2015/16 is informed by housing top structures amounting to R10,7m.

Total operating expenditure for the 2014/15 financial year has been appropriated at R869m and translates into a budgeted deficit of R85,1m. When compared to the 2013/2014 Adjustments Budget, operating expenditure has grown by 4,97 per cent in the 2014/15 budget and by 9,41and 6,46 per cent for each of the respective outer years of the MTREF. The higher increase for 2015/16 is informed by housing top structures amounting to R10,7m.

It should be noted that although the 2014/2015 operational budget and indicative years indicate budgeted deficits, this does not reflect the actual cash position. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R5,7 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.

The capital budget of R97,7m for 2014/15 is 22,7 per cent less when compared to the 2013/2014 Adjustments Budget. The reduction is due to the available resources to fund the capital budget. The capital programme decreases to R86m and R80m in the outer years, notwithstanding that an estimated R100m is required annually to sustain capital infrastructure. A substantial portion of the capital budget (49%) will be funded from borrowing over the MTREF with anticipated borrowings of R130m. The balance will be funded from internally generated funds, a finance lease of R6,9m and capital grants. Note that the Municipality has reached its prudential borrowing limits and as a result there is little scope to substantially increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) has increased over the past five years as a result of the aggressive capital infrastructure programme implemented over the past five years.

The repayment of capital and interest (debt services costs) is still within acceptable norms. Consequently, the capital budget remains relatively flat over the medium-term.

1.4 Operating Revenue Framework

For Overstrand to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with an increasing population (7th highest growth nationally as per the 2011 census), development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure levels above 98 per cent annual collection rates for property rates and other key service charges (current collection level is in excess of 99%);
- Electricity tariff increases for Eskom and the municipality, as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increased pressure to deliver and maintain services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	128 737	108 913	116 321	126 921	126 921	126 921	148 640	158 025	165 498
Property rates - penalties & collection charges	853	925	914	1 000	1 000	1 000	1 050	1 103	1 158
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - refuse revenue	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - other									
Rental of facilities and equipment	6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Interest earned - external investments	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Interest earned - outstanding debtors	2 463	2 331	2 199	2 204	2 204	2 204	2 288	2 234	2 322
Dividends received					–	–	–	–	–
Fines	5 469	5 278	6 644	6 079	7 529	7 529	7 965	7 378	7 817
Licences and permits	1 711	1 786	1 968	2 046	2 046	2 046	2 229	2 447	2 686
Agency services	1 790	1 912	2 025	2 250	2 255	2 255	2 480	2 727	3 000
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other revenue	39 497	17 375	71 461	19 963	21 516	21 516	21 717	22 855	24 404
Gains on disposal of PPE	13 171	1 920			383	383			
Total Revenue (excluding capital transfers and contributions)	**607 290**	**597 482**	**695 005**	**742 541**	**743 363**	**743 363**	**784 474**	**855 339**	**911 867**

Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework					
		Budget Year 2014/15		Budget Year +1 2015/16		Budget Year +2 2016/17	
Revenue By Source							
Property rates	126 921	148 640	17.11%	158 025	6.31%	165 498	4.73%
Property rates - penalties & collection charge	1 000	1 050	5.00%	1 103	5.00%	1 158	5.00%
Service charges - electricity revenue	284 936	310 085	8.83%	333 146	7.44%	349 869	5.02%
Service charges - water revenue	93 142	95 897	2.96%	99 943	4.22%	105 503	5.56%
Service charges - sanitation revenue	62 827	63 455	1.00%	66 997	5.58%	70 759	5.61%
Service charges - refuse revenue	52 934	56 130	6.04%	59 500	6.00%	63 074	6.01%
Rental of facilities and equipment	8 551	7 966	-6.84%	8 739	9.70%	9 615	10.02%
Interest earned - external investments	7 018	6 166	-12.13%	6 210	0.70%	6 255	0.73%
Interest earned - outstanding debtors	2 204	2 288	3.81%	2 234	-2.38%	2 322	3.96%
Fines	7 529	7 965	5.79%	7 378	-7.36%	7 817	5.94%
Licences and permits	2 046	2 229	8.94%	2 447	9.78%	2 686	9.77%
Agency services	2 255	2 480	9.98%	2 727	9.96%	3 000	10.01%
Transfers recognised - operational	70 101	58 407	-16.68%	84 037	43.88%	99 909	18.89%
Other revenue	21 516	21 717	0.93%	22 855	5.24%	24 404	6.78%
Total Revenue (excluding capital transfers and contributions)	**743 363**	**784 474**		**855 339**		**911 867**	

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. The increase in revenue of 17,11 per cent represents the tariff increase (15%) and a revenue projection adjustment for 2013/14. The same applies to water and sanitation revenue. Rates and service charge revenues comprise 86% of the total operating revenue mix. In the 2013/2014 financial year, revenue from rates and services charges totalled R624m. This increases to R678m, R721m and R758m in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity, property rates revenue in 2014/15 and operational grants in the outer years, above anticipated inflation growth. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 61 MBRR SA1 (see page 92).

After service charges, property rates is the second largest revenue source. The third largest source is operational grants from national and provincial government, which has shown growth over the MTREF, followed by ‘other revenue’ which consists of various items such as income received from permits and licenses, building plan fees, connection fees, advertisement fees etc. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R58,4 million in the 2014/15 financial year. This increases to R84m and R99,9m over the MTREF. Equitable share increases substantially in terms of the equitable share formula after the release of the 2011 census figures, as a result of the population growth in the Overstrand area. The increase in the housing allocation is due to the building of top structures for housing development anticipated in the outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**28 670**	**33 973**	**39 528**	**44 783**	**45 383**	**45 383**	**54 673**	**66 665**	**74 746**
Local Government Equitable Share	26 920	31 156	36 146	41 949	41 949	41 949	52 021	64 199	72 027
Finance Management	1 000	1 250	1 250	700	1 300	1 300	884	1 500	1 700
Municipal Systems Improvement	750	790	800	890	890	890	–	966	1 019
EPWP Incentive		777	1 332	1 244	1 244	1 244	1 768		
Provincial Government:	**27 236**	**783**	**2 727**	**23 601**	**24 718**	**24 718**	**3 734**	**17 372**	**25 163**
Housing	26 488		1 659	20 045	19 845	19 845	183	10 702	21 264
Emergency Housing Programme (EHP)					200	200	220	242	266
Provincial Library Grant	608	640	704	805	805	805	3 182	6 373	3 575
Finanicial Management Support Grant					800	800			
Greenest Municipality					50	50			
Community Development Worker Grant	100	78	81		49	49	52	55	58
Main Road Subsidy	40	65	65	2 651	2 651	2 651	97		
Sport & Recreation Grant				100	100	100			
Housing consumer education/ Thusong Service	–		218		218	218			
Other grant providers:	**17 120**	**–**	**–**	**–**	**883**	**883**	**–**	**–**	**–**
ACIP	15 770								
Prov Govt. Nelson Mandela Commemoration					100	100			
Prov Govt. ICT Projects for Libraries					25	25			
Table Mountain Fund					240	240			
Public Contr. KCIH					200	200			
Public Contr. Duitse Friedrich Naumann					319	319			
Mobility Strategy/National lotto/DWAF/etc	1 350	–							
Total Operating Transfers and Grants	**73 026**	**34 756**	**42 255**	**68 384**	**70 985**	**70 985**	**58 407**	**84 037**	**99 909**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in possible higher levels of non-payment.

The increase in property rates has been necessitated largely due to the lagging of rates increases below inflation over the past years. Furthermore, increases in service charges have been kept at average inflation, with electricity at the level of the NERSA approval of Eskom tariffs. This is eroding the surpluses on services due to higher than inflation input costs. Notwithstanding that surpluses on services have traditionally subsidised community services, the decrease in these surpluses can also be viewed positively as this decreases the level of cross subsidisation. See the table below.

The percentage increases of Eskom bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The following table sets out the costing of services and an indication of the reduction in surpluses for the main municipal services.

Table 5 Costing of services

Costing of services	Amended Budget 2013/2014	Original Budget 2014/2015	
Service : 1200 ELECTRICITY			
** SALARIES, WAGES & ALLOWANCES	16 394 565	19 269 258	17.53%
** GENERAL EXPENSES	185 518 610	213 508 703	15.09%
** REPAIRS & MAINTENANCE	5 151 800	4 700 150	-8.77%
** CAPITAL CHARGES	37 085 620	37 983 349	2.42%
TOTAL EXPENDITURE	**244 150 595**	**275 461 460**	**12.82%**
TOTAL INCOME	**-285 196 100**	**-311 605 306**	**9.26%**
SURPLUS/DEFICIT	**-41 045 505**	**-36 143 846**	**-11.94%**
	16.81%	**13.12%**	
Service : 1300 WATER			
** SALARIES, WAGES & ALLOWANCES	14 042 343	17 153 390	22.15%
** GENERAL EXPENSES	36 367 800	28 553 657	-21.49%
** REPAIRS & MAINTENANCE	8 199 700	10 559 706	28.78%
** CAPITAL CHARGES	31 207 460	38 025 366	21.85%
TOTAL EXPENDITURE	**89 817 303**	**94 292 119**	**4.98%**
TOTAL INCOME	**-93 561 900**	**-96 871 828**	**3.54%**
SURPLUS/DEFICIT	**-3 744 597**	**-2 579 709**	**-31.11%**
	4.17%	**2.74%**	
Service : 1400 WASTE WATER MANAGEMENT			
** SALARIES, WAGES & ALLOWANCES	13 821 292	16 144 914	16.81%
** GENERAL EXPENSES	16 104 958	15 069 541	-6.43%
** REPAIRS & MAINTENANCE	6 896 877	6 687 080	-3.04%
** CAPITAL CHARGES	18 809 200	21 589 679	14.78%
TOTAL EXPENDITURE	**55 632 327**	**59 491 214**	**6.94%**
TOTAL INCOME	**-61 516 600**	**-64 054 846**	**4.13%**
SURPLUS/DEFICIT	**-5 884 273**	**-4 563 632**	**-22.44%**
	10.58%	**7.67%**	
Service : 1500 WASTE MANAGEMENT			
** SALARIES, WAGES & ALLOWANCES	17 345 155	19 853 589	14.46%
** GENERAL EXPENSES	22 025 690	25 848 881	17.36%
** REPAIRS & MAINTENANCE	1 815 024	2 029 530	11.82%
** CAPITAL CHARGES	4 682 050	4 952 844	5.78%
** CONTRIBUTION TO PROVISIONS	3 400 240	3 000 000	-11.77%
TOTAL EXPENDITURE	**49 268 159**	**55 684 844**	**13.02%**
TOTAL INCOME	**-53 020 400**	**-56 190 500**	**5.98%**
SURPLUS/DEFICIT	**-3 752 241**	**-505 656**	**-86.52%**
	7.62%	**0.91%**	

Notes:
1. No Salary Contingency is reflected under the services in this table.
2. Increased depreciation for Water & Sewerage due to new plant.
3. The general expenses increase for waste management relates to Karwyderskraal

It must also be noted that the consumer price index, as measured by CPI, is not a good indicator of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, chemicals, etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be

made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general community and support services. Determining the effective property rates tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and also prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties.

The following stipulations in the Property Rates Policy are highlighted:

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	No exemptions. Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res. rate: 1 -2 X lettable room: 100% 3 X lettable rooms: 75% 4 X lettable rooms: 50% 5 X lettable rooms: 25%
BUSO	General Tax: Tourism and recreational resorts outside of the municipal service areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax. A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and an additional rebate of 20% of the levy calculated on such properties, is granted. Rebate to qualifying property owners as indicated under "*Other Rebate*"
RESO	General Tax: Residential properties outside of the municipal service area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	50% of the tax applicable on residential property in urban areas. Rebate to qualifying property owners as indicated under "Other Rebate"
FARMS	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.

REBU2 **REBU3** **REBU4**	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the **Property Rates** Policy, who's household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the **Property Rates** Policy, who are older than 60 with a total household income less than four times (4X) of state funded social pensions per month; • A rebate of 30% to approved applicants, in terms of the **Property Rates**, who are older than 60 with a total household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.

The following table sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2014/15 financial year, to increase from 1 July 2014.

Table 6 Comparison of proposed rates to be levied for the 2014/15 financial year

RATES TARIFFS 2014/15

Tariff Code	Detail	2014/2015		2013/2014		1.15
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
RATES	YEAR OF GENERAL VALUATION: 02 JULY 2011					
RATE1*	Commercial Land with Improvements	0.00627	0.00627	0.00545	0.00545	15.00%
RATE2*	Residential Land with Improvements	0.00414	0.00414	0.00360	0.00360	15.00%
	** See attached schedule of Exemptions and Rebates applicable*					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.00%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00104	0.00104	0.00090	0.00090	15.00%
RATE8	Undeveloped erven	0.00566	0.00566	0.00566	0.00566	0.00%
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES						

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it does with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Tariff increases as from 1 July 2014 are indicated in the list of tariffs in Annexure C. The 6 kℓ water per 30-day period is now only granted free of charge to registered indigents. The second level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, has been further postponed to keep the 2014/15 increase in the water tariffs to current inflation levels.

A summary of the proposed tariffs for households (residential) are as follows:

Table 7 Comparison between current water charges and increases (Domestic)

Tariff Code	Detail	2014/2015		2013/2014		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.25	3.71	3.07	3.50	6.00%
W1B2	7 - 18 kl per kl	8.60	9.80	8.11	9.25	6.00%
W1B3	19 - 30 kl per kl	13.95	15.90	13.16	15.00	6.00%
W1B4	31 - 45 kl per kl	21.48	24.48	20.26	23.10	6.00%
W1B5	46 - 60 kl per kl	27.90	31.81	26.32	30.00	6.00%
W1B6	>60kl per kl	37.20	42.40	35.09	40.00	6.00%

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA announced a revised bulk electricity pricing structure for Eskom during 2013/14 for a three year period. An 8,2 per cent increase in the Eskom bulk electricity tariffs to municipalities became effective from 1 July 2013.

Considering the Eskom increases, the overall tariffs had to be increased between 7,29 per cent and 7,31 per cent for life-line/indigents consumption (up to 350kWh), which is within the NERSA upper limit of 7,34 per cent, and up to 8 per cent (1 500 kwh) for the higher residential consumers to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Tariff Code	Detail		2014/2015		2013/2014		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	**R**	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	**c**	95.96	109.39	88.68	101.10	8.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	**c**	130.01	148.22	120.16	136.98	8.20%
E1A4	IBT BLOCK 3 > 600 kWh	**c**	156.70	178.64	144.83	165.10	8.20%
E1B	**Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)**						
E1B1	Basic Monthly charge per meter	**R**	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	**c**	88.64	101.05	81.93	93.40	8.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	**c**	122.51	139.67	113.23	129.08	8.20%
E1B4	IBT BLOCK 3 > 600 kWh	**c**	150.62	171.71	139.20	158.69	8.20%

The stepped tariff for electricity as previously proposed by NERSA has continued. Tariffs have increased across all blocks at the same rate. The municipality will maintain the current stepped structure for the electricity tariffs.

The inadequate electricity bulk capacity in the Hermanus area and the impact on service delivery and development remains a challenge for the municipality. The commissioning of the new 66 KVA sub-station will address some of the challenges.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply) and limited upgrading of networks.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund further necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. The taking up of loans as a strategy for the funding of infrastructure is considered to spread the burden over the life span of the assets. As part of the 2014/15 medium-term capital programme, funding has been allocated to electricity infrastructure.

The full proposed tariffs are included in Annexure C.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6,32 per cent for sanitation (consumption) and 6,02 per cent for basic charges is proposed from 1 July 2014. This is based on tariff increases related to inflation increases and as mentioned earlier in this report, it further erodes the surplus for this service. It should be noted that electricity costs contributes towards waste water treatment input costs.

The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (4,2 kℓ of 6 kℓ water) will be applicable to registered indigents; and

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases (Domestic)

Tariff Code	Detail	2014/2015		2013/2014		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service included maximum of 2 (two) vacuum tanker services, only during office hours per month. For after hours service and more than 2 tank services, refer to tariff SE9B.	10.26	11.70	9.65	11.00	6.32%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	91.14	103.90	85.97	98.00	6.02%

1.4.5 Waste Removal and Impact of Tariff Increases

Solid waste removal is operating just at break even. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to the cost impact on this service are general

expenditure from rapidly rising petrol and diesel costs and additional contractor costs linked to the closure of Karwyderskraal. The municipality is set to resolve the Karwyderskraal issue during the 2014/15 financial year by entering into a long term lease agreement with the District municipality for a portion of the land at Karwyderskraal to develop further cells.

A 6% per cent increase in the waste removal tariff is proposed from 1 July 2014. Higher increases will not be viable in 2014/15 owing to the increases implemented in the previous financial year. Any further increase would have be counter-productive and will result in affordability challenges for individual consumers, raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

Table 10 Comparison between current waste removal fees and increases (Domestic)

Tariff Code	Detail	2014/2015		2013/2014		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	**REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)**	**R**	**R**	**R**	**R**	
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	130.18	148.40	122.81	140.00	6.00%

All proposed refuse tariffs are listed in Annexure C.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on medium and small household consumers, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept below 9 per cent, with the increase for indigent households at 6,22 per cent.

Medium Consumption with prepaid elect meter	2013/2014	2014/2015	Amount	%
Valuation R 2,500,000				
Rates	588.00	676.20	88.20	15.00
Sewer **SE7A1+SE8A**	254.85	270.69	15.85	6.22
Infrastructure Basic Charge Water, Electricity &	41.70	41.70	0.00	0.00
Refuse **1X Per Week**	122.81	130.18	7.37	6.00
Electricity Prep 800 kWh	1,041.21	1,122.32	81.11	7.79
Water 25 kl	304.35	322.63	18.28	6.01
VAT	247.09	264.25	17.16	6.95
TOTAL	2,600.00	2,827.97	227.96	**8.77**
HPP if applicable	*58.80*	*67.62*	*8.82*	
Low Consumption with prepaid elect meter	2013/2014	2014/2015	Amount	%
Valuation R 1,000,000				
Rates	228.00	262.20	34.20	15.00
Sewer **SE7A1+SE8A**	187.30	198.87	11.58	6.18
Infrastructure Basic Charge Water, Electricity &	41.70	41.70	0.00	0.00
Refuse **1X Per Week**	122.81	130.18	7.37	6.00
Electricity Prep 350 kWh	479.74	514.80	35.06	7.31
Water 15 kl	187.90	199.18	11.28	6.00
VAT	142.72	151.86	9.14	6.40
TOTAL	1,390.16	1,498.79	108.63	**7.81**
HPP if applicable	*22.80*	*26.22*	*3.42*	
Life-Line Consumption (ONE PART)	2013/2014	2014/2015	Amount	%
Valuation R 50,000				
Rates	0.00	0.00	0.00	0.00
Sewer **SE7A1**	13.51	14.36	0.85	6.32
Infrastructure Basic Charge Water, Electricity &	41.70	41.70	0.00	0.00
Refuse **1X Per Week**	0.00	0.00	0.00	0.00
Electricity Pre-p 300 kWh	245.79	263.70	17.91	7.29
Water 8 kl	16.22	17.20	0.98	6.04
VAT	44.41	47.17	2.76	6.22
TOTAL	361.63	384.14	22.51	**6.22**

No property rates or service tariffs were increased from the draft budget proposals.

Table 11 MBRR Table SA14 – Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Monthly Account for Household - 'Middle										
Rates and services										
Property rates	134.33	141.26	151.25	156.00	156.00	156.00	15.0%	179.40	190.16	201.57
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	694.90	953.00	1 056.28	1 126.62	1 126.62	1 126.62	8.0%	1 219.00	1 292.14	1 369.67
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	160.05	168.48	224.44	273.66	273.66	273.66	–	273.66	290.08	307.48
Sanitation	242.50	245.92	264.87	288.62	288.62	288.62	6.0%	305.94	324.29	343.75
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other										
sub-total	**1 531.34**	**1 831.46**	**2 060.87**	**2 257.18**	**2 257.18**	**2 257.18**	**7.0%**	**2 415.02**	**2 559.92**	**2 713.51**
VAT on Services	195.58	236.63	267.35	294.17	294.17	294.17		312.99	331.77	351.67
Total large household bill:	**1 726.92**	**2 068.09**	**2 328.22**	**2 551.35**	**2 551.35**	**2 551.35**	**6.9%**	**2 728.00**	**2 891.68**	**3 065.18**
% increase/-decrease		**19.8%**	**12.6%**	**9.6%**	**–**	**–**		**6.9%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Affordable										
Rates and services										
Property rates	93.00	97.80	104.70	108.00	108.00	108.00	15.0%	124.20	131.65	139.55
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	347.45	399.00	438.62	456.59	456.59	456.59	8.0%	494.01	523.65	555.07
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	123.65	133.38	164.44	207.86	207.86	207.86	6.0%	220.35	233.57	247.59
Sanitation	216.25	231.74	234.17	254.84	254.84	254.84	6.0%	270.13	286.34	303.52
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other										
sub-total	**1 079.91**	**1 184.72**	**1 305.96**	**1 439.57**	**1 439.57**	**1 439.57**	**7.4%**	**1 545.71**	**1 638.45**	**1 736.76**
VAT on Services	138.17	152.17	168.18	186.42	186.42	186.42		199.01	210.95	223.61
Total small household bill:	**1 218.08**	**1 336.88**	**1 474.14**	**1 625.99**	**1 625.99**	**1 625.99**	**7.3%**	**1 744.72**	**1 849.40**	**1 960.37**
% increase/-decrease		**9.8%**	**10.3%**	**10.3%**	**–**	**–**		**7.3%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Indigent'										
Rates and services										
Property rates	51.67	54.33	58.16	60.00	60.00	60.00	15.0%	69.00	73.14	77.53
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	208.47	252.00	278.39	286.75	286.75	286.75	8.0%	310.24	328.85	348.59
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	91.25	98.28	104.44	142.06	142.06	142.06	6.0%	150.60	159.64	169.21
Sanitation	190.00	204.15	203.48	221.07	221.07	221.07	6.0%	234.33	248.39	263.30
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other	(424.05)	(468.47)	(521.33)	(598.16)	(598.16)	(598.16)	(6.0%)	(635.06)	(673.16)	(713.55)
sub-total	**416.90**	**463.09**	**487.17**	**524.00**	**524.00**	**524.00**	**8.0%**	**566.13**	**600.10**	**636.11**
VAT on Services	51.13	57.23	60.06	64.96	64.96	64.96		69.60	73.77	78.20
	468.03	**520.32**	**547.23**	**588.96**	**588.96**	**588.96**	**7.9%**	**635.73**	**673.88**	**714.31**
Total small household bill:										
% increase/-decrease		**11.2%**	**5.2%**	**7.6%**	**–**	**–**		**7.9%**	**6.0%**	**6.0%**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- The repairs and maintenance plan relating to the asset management strategy;
- Funding of the budget over the MTREF as informed by Section 18 and 19 of the MFMA;
- Limiting growth in the personnel structure;
- Reducing expenditure on non-core programmes;
- Implementing operational gains and efficiencies; and
- Strict adherences to the principle of *no project plan no budget*. If there is no business plan no funding allocation will be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification item

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type									
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Debt impairment	4 806	28	934						
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other materials	58 239	54 582	12 437	15 055	14 752	14 752	17 295	20 201	19 151
Contracted services	20 253	24 079	67 601	74 909	76 844	76 844	81 062	95 248	100 837
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 407	142 792	158 088
Loss on disposal of PPE			1 756						
Total Expenditure	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**

The budgeted allocation for employee related costs for the 2014/15 financial year totals R280m which equals 32,2 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6,79 per cent for the 2014/15 financial year as well as the two outer years of the MTREF. As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A R7,75m contingency for vacancies not to be filled, has been provided. This could however have a negative impact on service delivery. In addition expenditure against overtime and stand-by was investigated for reduction.

With effect from 1 July 2010, the Municipal Manager and Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, Messrs Work Dynamics (Pty) Ltd, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or

government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had originally been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of the agenda item.

New regulations have been promulgated, which regulations provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of close to 100 per cent and the Debt Write-off Policy of the Municipality. For the 2014/15 financial year this amount equates to a zero provision as the current provision is set to decrease slightly over the medium term.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R109,3m for the 2014/15 financial year and equates to 12,57 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This resulted in a significant increase in depreciation relative to previous years. This aspect is further highlighted in in para. 1.3 of this report.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and limited finance leases. Finance charges make up 5,19 per cent of operating expenditure excluding annual redemption for 2014/15 and increases to R49,5m by 2016/17. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges increasing as a percentage of operational expenditure – rather it decreases to 4,89 per cent over the MTREF.

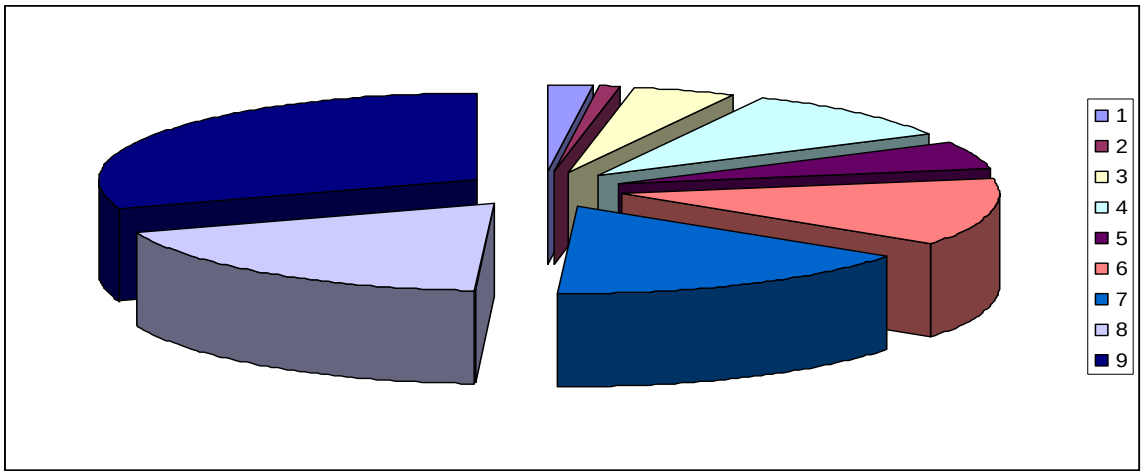
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures accounts for distribution losses.

Other materials comprise amongst others the purchase of materials for maintenance, cleaning materials etc. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this group of expenditure totals R81,1m and has increased by 5,49 per cent. Further details relating to contracted services can be seen in Table 61 MBRR SA1 (see page 92).

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 61 MBRR SA1 (see page 92).

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.



1 Other materials
2 Remuneration of councillors
3 Grants and subsidies
4 Contracted services
5 Finance charges
6 Depreciation & asset impairment
7 Other expenditure
8 Bulk purchases
9 Employee related costs

Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 13 Operational repairs and maintenance

WC032 Overstrand - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Repairs and Maintenance									
Employee related costs	13 978	15 563	27 460	37 260	35 728	35 728	40 285	42 994	46 241
Other materials	4 600	5 188	9 153	45 751	12 854	12 854	8 807	9 717	10 231
Contracted Services	11 065	12 320	21 740	76 766	29 992	29 992	34 161	40 008	41 042
Other Expenditure	28 596	31 774	56 061	3 582	76 221	76 221	79 016	94 241	98 513
Total Repairs and Maintenance Expenditure	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. As part of the 2014/15 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises on average 19 per cent of the budget over the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset classes:

Table 14 Repairs and maintenance per asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**38 271**	**43 120**	**87 048**	**135 022**	**131 381**	**131 381**	**136 752**	**155 760**	**162 666**
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Roads, Pavements & Bridges	25 391	25 231	39 790	58 578	60 122	60 122	62 232	70 792	71 258
Storm water	588	611	2 446	3 907	3 694	3 694	6 308	6 696	7 118
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Generation									
Transmission & Reticulation	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Street Lighting									
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Dams & Reservoirs	3 568	52	80						
Water purification		1 709	1 963						
Reticulation		5 132	19 459	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Reticulation	3 564	3 687	6 623						
Sewerage purification		882	1 085	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Waste Management	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Community	**3 574**	**6 012**	**5 408**	**8 252**	**8 749**	**8 749**	**9 298**	**10 114**	**11 373**
Investment properties	**199**	**270**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other assets	**16 195**	**15 443**	**21 958**	**20 086**	**14 666**	**14 666**	**16 218**	**21 086**	**21 989**
Total Repairs and Maintenance Expenditure	**58 239**	**64 845**	**114 414**	**163 360**	**154 795**	**154 795**	**162 268**	**186 960**	**196 027**
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
R&M as % Operating Expenditure	*9.1%*	*8.7%*	*15.3%*	*19.8%*	*18.7%*	*18.7%*	*18.7%*	*19.7%*	*19.4%*

For the 2014/15 financial year, 8,4 per cent or R162m of the total budget will be spent on repairs and maintenance, of which R137m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 42,2 per cent (R68,5m), followed by water at 18,5 per cent (R26,8) and electricity at 15,7 per cent (R25,5).

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent/poor or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The current indigent households amount to approximately 6 500 and is reviewed monthly. Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 39.

The cost of the social package of the registered indigent households is fully financed through the local government equitable share received in terms of the annual Division of Revenue Act.

Table 15 MBRR Table SA21 – Transfers and grants made by the municipality

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Transfers to other municipalities									
Insert description									
Total Cash Transfers To Municipalities:	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State									
Insert description									
Total Cash Transfers To Other Organs Of State:	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations									
Grant-in-aid	82	370	398		451	451	–	507	538
Badisa							30		
Overstrand Association for People with Disabilities							8		
Ikamva							10		
Overstrand Conservation Foundation							25		
Hermanus Botanical Society							20		
Kleimond Child Welfare							15		
Overstrand Hospice							28		
Hangklip Community Care Centre							15		
Recycle Swop Shop							10		
Siyazama Service Centre for the Aged							20		
Overberg Wheelchair Association	–	–	–				20		
Overstrand Arts							20		
National Sea Rescue Institute							47		
S.H.A.R.E							10		
Total Cash Transfers To Organisations	82	370	398	–	451	451	278	507	538
Cash Transfers to Groups of Individuals									
Indigent grant	23 538	28 084	35 458	38 766	38 766	38 766	41 092	43 557	46 171
Total Cash Transfers To Groups Of Individuals:	23 538	28 084	35 458	38 766	38 766	38 766	41 092	43 557	46 171
TOTAL CASH TRANSFERS AND GRANTS	**23 620**	**28 454**	**35 856**	**38 766**	**39 217**	**39 217**	**41 370**	**44 065**	**46 708**

The policy for Grants-in-aid to organisations has been revised and approved by Council. Detailed allocations for the 2014/2015 budget are reflected in the above table.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 16 2014/15 Medium-term capital budget per vote

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	90 266	119 308	110 111	68 764	83 280	83 280	76 938	66 662	57 618
Vote 6 - Local Economic Development	6 973	–	945	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500
Vote 8 - Protection Services	19	645	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

For 2014/15 an amount of R65,9m has been appropriated for the development of infrastructure which represents 67 per cent of the total capital budget of R97,7m. In the outer years this amount totals R64,6m, 75 per cent and R58,6m, 72 per cent respectively for each of the outer financial years. Electricity infrastructure receives the highest allocation of R21,7m in 2014/15 which equates to 22,2 per cent followed by waste water at 13,8 per cent, R13,5m million and then water at 13,1 per cent, R12,8 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 37. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 82, 83 and 84). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Project Description	Amount
Replacement of Overstrand water pipes	12 800 000
Karwyderskraal : New Waste Cell	10 200 000
Eluxolweni - New bulk sewerage for housing project	7 600 000
Hermanus Swartdamweg Institutional -320 SITES	6 785 821
Electrification of Housing Projects	4 670 571
Upgrade and rehabilitate roads -Zwelihle	4 650 254
Franskraal,Kleinbaai & Birkenhead: MV/LV and Minis	4 900 000
Electrification of Housing Projects	4 670 571
Overhills:Kleinmond Soccer Field	2 939 163
Upgrading of Kidbrooke Pipeline	2 900 000
Kleinmond: MV & LV network upgrade	2 500 000
Hermanus: LV Upgrade/Replacement	2 100 000
Electrification of low cost housing areas (INEP)	2 000 000
Stanford - Sewer network extension	2 000 000
Kleinmond Library upgrade	2 000 000

Furthermore, pages 87 to 89 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent per vote over the MTREF.

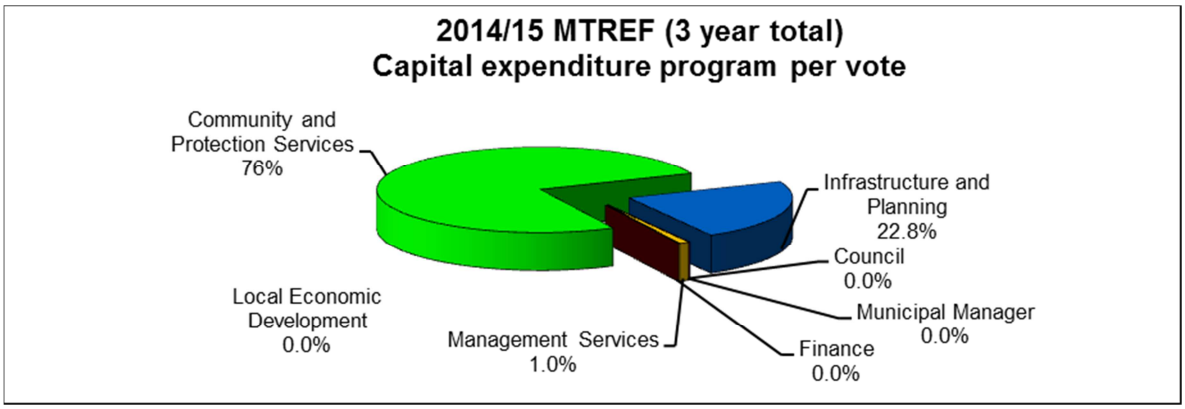


Figure 2 Capital Infrastructure Programme

With the 2011/2012 adjustment budget, projects to be funded from the sale of land (Sandbaai commonage land), were postponed to future capital budgets dependant on the successful sale of the land. It is Council's policy not to include projects in the next budget approval until the funds from the sale has been deposited in the Council's bank account. As this money has not been received, these projects are not included in the 2014/2015 capital budget.

1.6.1 Future operational cost of new infrastructure

At this point in time information is not readily available to include reliable information in Table 71 MBRR SA35 on page 86. A long term financial plan and implementation policy is set to be implemented to encompass costs over the long term. It needs to be noted that as part of the 2014/15 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following twenty pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 draft budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance									
Property rates	129 591	109 838	117 235	127 921	127 921	127 921	149 690	159 127	166 656
Service charges	344 977	405 415	437 030	497 429	493 840	493 840	525 567	559 586	589 204
Investment revenue	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other own revenue	70 633	37 344	91 506	41 093	44 483	44 483	44 644	46 380	49 843
Total Revenue (excluding capital transfers and contributions)	607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Employee costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Materials and bulk purchases	159 923	181 251	157 458	171 947	171 645	171 645	186 739	203 201	216 790
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	141 337	182 396	172 397	208 825	212 733	212 733	198 469	238 040	258 926
Total Expenditure	643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Surplus/(Deficit)	(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Contributions recognised - capital & contributed as	21 561	8 603	5 289	3 583	2 270	2 270	2 134	–	–
Surplus/(Deficit) after capital transfers & contributions	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Capital expenditure & funds sources									
Capital expenditure	**154 117**	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Transfers recognised - capital	**23 791**	54 833	53 809	36 028	36 034	36 034	35 234	39 487	31 388
Public contributions & donations	**4 966**	14 300	5 067	3 583	2 083	2 083	1 134	–	–
Borrowing	**86 942**	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Internally generated funds	**38 418**	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Total sources of capital funds	**154 117**	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Financial position									
Total current assets	**211 644**	230 033	198 535	183 501	192 260	192 260	197 146	204 860	218 360
Total non current assets	**3 144 498**	3 209 100	3 298 669	3 188 259	3 322 212	3 322 212	3 316 479	3 297 047	3 230 587
Total current liabilities	**129 879**	137 580	155 486	130 310	128 109	128 109	153 849	175 177	170 906
Total non current liabilities	**344 496**	452 301	483 973	527 115	527 115	527 115	549 267	572 772	593 655
Community wealth/Equity	**2 881 767**	2 849 252	2 857 746	2 714 336	2 859 249	2 859 249	2 810 509	2 753 958	2 684 385
Cash flows									
Net cash from (used) operating	**66 499**	98 981	75 915	71 124	92 664	92 664	80 014	73 943	30 172
Net cash from (used) investing	**(111 146)**	(151 774)	(146 949)	(115 209)	(125 609)	(125 609)	(103 533)	(91 765)	(46 287)
Net cash from (used) financing	**85 027**	109 489	28 482	36 973	33 204	33 204	27 163	22 787	19 553
Cash/cash equivalents at the year end	**70 004**	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Cash backing/surplus reconciliation									
Cash and investments available	**71 265**	132 391	95 744	100 786	100 786	100 786	110 257	120 839	129 960
Application of cash and investments	**3 437**	453	(1 315)	(9 124)	(23 994)	(23 994)	(18 596)	(2 421)	(17 759)
Balance - surplus (shortfall)	**67 829**	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Asset management									
Asset register summary (WDV)	**3 115 187**	3 181 234	3 285 964	3 171 806	3 266 260	3 266 260	3 251 467	3 226 430	3 194 898
Depreciation & asset impairment	**106 777**	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Renewal of Existing Assets	**–**	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Repairs and Maintenance	**58 239**	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027
Free services									
Cost of Free Basic Services provided	**29 547**	28 649	31 514	36 815	39 766	39 766	42 637	44 347	46 143
Revenue cost of free services provided	**58 418**	49 083	37 295	52 536	67 253	67 253	69 579	72 045	74 658
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	2	2	2	1	1	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's service delivery and commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and stable indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the cash increases over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Governance and administration	**215 943**	**167 928**	**231 849**	**193 558**	**194 804**	**194 804**	**231 071**	**253 526**	**267 382**
Executive and council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Budget and treasury office	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Corporate services	44 803	8 700	56 303	2 277	2 959	2 959	9 534	8 059	5 412
Community and public safety	**66 038**	**23 195**	**41 938**	**57 725**	**59 071**	**59 071**	**33 726**	**53 804**	**64 234**
Community and social services	1 736	2 574	2 990	2 078	2 507	2 507	2 402	3 600	6 766
Sport and recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
Public safety	9 337	10 048	12 541	12 393	12 343	12 343	13 184	13 093	14 079
Housing	48 848	3 965	18 645	31 705	31 675	31 675	8 576	27 243	28 969
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**14 932**	**12 963**	**18 567**	**25 383**	**29 769**	**29 769**	**13 939**	**7 721**	**9 314**
Planning and development	11 911	8 801	7 907	11 377	11 853	11 853	8 465	6 037	6 520
Road transport	2 691	3 863	10 595	13 938	17 608	17 608	5 397	1 600	2 700
Environmental protection	329	299	65	68	308	308	76	84	93
Trading services	**356 023**	**456 833**	**461 748**	**509 446**	**501 339**	**501 339**	**542 106**	**579 775**	**602 325**
Electricity	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
Water	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
Waste water management	53 541	79 550	68 756	67 584	64 927	64 927	72 155	77 967	75 459
Waste management	37 078	39 605	46 911	53 020	53 070	53 070	59 691	60 350	63 146
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure - Standard									
Governance and administration	**110 149**	**190 332**	**205 256**	**120 523**	**120 584**	**120 584**	**127 368**	**146 825**	**150 731**
Executive and council	38 862	58 811	67 621	64 562	65 843	65 843	66 867	75 471	79 697
Budget and treasury office	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Corporate services	24 905	82 842	86 284	31 236	28 053	28 053	35 998	38 524	40 490
Community and public safety	**83 864**	**124 992**	**83 226**	**122 599**	**123 182**	**123 182**	**113 536**	**130 898**	**149 270**
Community and social services	25 861	24 079	26 064	30 554	31 128	31 128	32 563	34 346	36 685
Sport and recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
Public safety	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Housing	7 681	54 294	4 258	26 754	26 352	26 352	9 554	20 473	31 629
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**111 966**	**116 245**	**112 994**	**135 645**	**132 471**	**132 471**	**139 514**	**147 044**	**153 028**
Planning and development	21 743	35 519	36 263	31 326	32 719	32 719	37 314	38 607	40 998
Road transport	83 509	75 715	71 107	96 482	91 710	91 710	95 166	101 024	104 103
Environmental protection	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
Trading services	**337 222**	**310 956**	**345 437**	**445 293**	**452 153**	**452 153**	**489 171**	**526 617**	**559 817**
Electricity	171 365	177 473	198 902	244 304	242 679	242 679	272 386	276 444	295 533
Water	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
Waste water management	43 147	42 466	45 945	60 149	64 341	64 341	67 138	74 952	79 130
Waste management	51 445	37 573	40 102	48 760	49 851	49 851	56 489	61 050	66 326
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - Council	27 515	31 483	38 353	42 395	42 995	42 995	52 401	65 565	73 466
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	892	1 264	1 476	1 216	1 216	1 216	2 410	961	961
Vote 4 - Finance	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Vote 5 - Community Services	227 608	245 501	253 342	280 926	277 784	277 784	261 822	293 836	307 536
Vote 6 - Local Economic Development	7 520	2 817	3 750	5 214	6 431	6 431	2 968	1 200	1 200
Vote 7 - Infrastructure & Planning	236 438	242 061	307 447	295 950	295 442	295 442	318 962	340 309	357 549
Vote 8 - Protection Services	9 337	10 048	12 541	12 493	12 343	12 343	13 184	13 093	14 079
Total Revenue by Vote	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure by Vote to be appropriated									
Vote 1 - Council	31 350	55 945	64 385	56 809	62 399	62 399	63 289	67 543	71 596
Vote 2 - Municipal Manager	879	2 872	3 243	1 949	1 520	1 520	1 003	1 001	1 070
Vote 3 - Management Services	10 899	32 796	30 872	11 031	8 495	8 495	15 189	16 243	17 335
Vote 4 - Finance	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Vote 5 - Community Services	297 638	332 230	297 734	389 757	388 865	388 865	386 685	444 986	477 881
Vote 6 - Local Economic Development	3 068	5 845	7 716	8 303	10 397	10 397	11 140	10 714	11 334
Vote 7 - Infrastructure & Planning	220 110	232 916	254 779	287 299	285 253	285 253	318 607	325 210	347 058
Vote 8 - Protection Services	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Total Expenditure by Vote	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

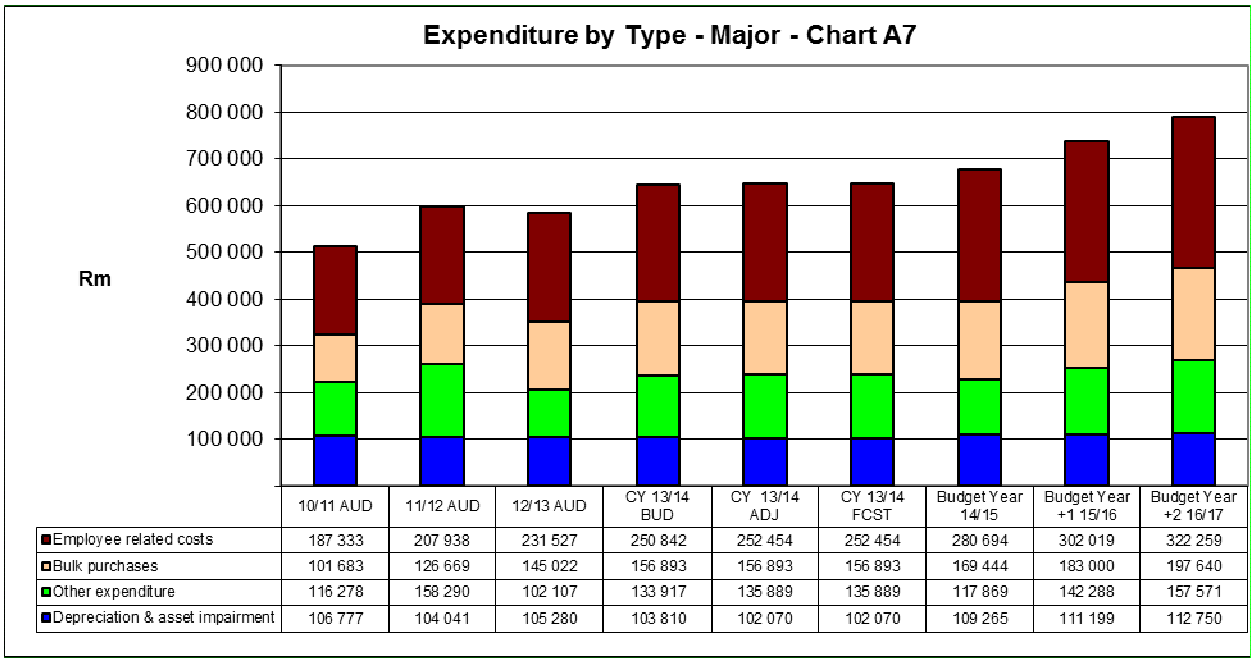
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	128 737	108 913	116 321	126 921	126 921	126 921	148 640	158 025	165 498
Property rates - penalties & collection charges	853	925	914	1 000	1 000	1 000	1 050	1 103	1 158
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - refuse revenue	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - other									
Rental of facilities and equipment	6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Interest earned - external investments	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Interest earned - outstanding debtors	2 463	2 331	2 199	2 204	2 204	2 204	2 288	2 234	2 322
Dividends received					–	–	–	–	–
Fines	5 469	5 278	6 644	6 079	7 529	7 529	7 965	7 378	7 817
Licences and permits	1 711	1 786	1 968	2 046	2 046	2 046	2 229	2 447	2 686
Agency services	1 790	1 912	2 025	2 250	2 255	2 255	2 480	2 727	3 000
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other revenue	39 497	17 375	71 461	19 963	21 516	21 516	21 717	22 855	24 404
Gains on disposal of PPE	13 171	1 920			383	383			
Total Revenue (excluding capital transfers and contributions)	**607 290**	**597 482**	**695 005**	**742 541**	**743 363**	**743 363**	**784 474**	**855 339**	**911 867**
Expenditure By Type									
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Debt impairment	4 806	28	934						
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other materials	58 239	54 582	12 437	15 055	14 752	14 752	17 295	20 201	19 151
Contracted services	20 253	24 079	67 601	74 909	76 844	76 844	81 062	95 248	100 837
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 407	142 792	158 088
Loss on disposal of PPE			1 756						
Total Expenditure	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**(35 911)**	**(145 043)**	**(51 909)**	**(81 518)**	**(85 026)**	**(85 026)**	**(85 115)**	**(96 044)**	**(100 980)**
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Contributions recognised - capital	21 561	8 603	5 289	3 583	1 083	1 083	2 134	–	–
Contributed assets					**1 187**	**1 187**			
Surplus/(Deficit) after capital transfers & contributions	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Taxation									
Surplus/(Deficit) after taxation	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R743 million in 2013/2014 and increase to R784 million by 2014/15. This represents a year-on-year increase of 5,52per cent for the 2014/15 financial year.
2. Revenue to be generated from property rates is R127 million in the 2013/2014 financial year and increases to R148 million by 2014/15 which represents 19 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R494 million for the 2013/2014 financial year and increasing to R526 million by 2014/15. For the 2014/15 financial year services charges amount to 66.9 per cent of the total revenue base.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 694	302 019	322 259
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 869	142 288	157 571
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750

Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2010/11 to 2016/17 period escalating from R102 million to R198 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	90 266	119 308	110 111	68 764	83 280	83 280	76 938	66 662	57 618
Vote 6 - Local Economic Development	6 973	–	945	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500
Vote 8 - Protection Services	19	645	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Capital Expenditure - Standard									
Governance and administration	**28 713**	**24 047**	**7 154**	**9 977**	**11 301**	**11 301**	**16 815**	**2 675**	**7 730**
Executive and council									
Budget and treasury office									
Corporate services	28 713	24 047	7 154	9 977	11 301	11 301	16 815	2 675	7 730
Community and public safety	**8 880**	**3 319**	**7 268**	**16 405**	**20 498**	**20 498**	**21 205**	**18 839**	**13 800**
Community and social services		327	4 666		3 652	3 652	5 635		
Sport and recreation	1 743	1 531	2 601	5 225	5 696	5 696	3 090	2 939	6 800
Public safety	19	645	–		–	–			
Housing	7 118	817	–	11 180	11 150	11 150	12 480	15 900	7 000
Health									
Economic and environmental services	**27 896**	**8 340**	**25 552**	**17 870**	**16 228**	**16 228**	**5 400**	**4 900**	**4 000**
Planning and development	6 973	2 864	945						
Road transport	20 923	5 477	24 607	17 870	16 228	16 228	5 400	4 900	4 000
Environmental protection									
Trading services	**88 628**	**127 569**	**103 790**	**65 644**	**78 455**	**78 455**	**54 300**	**59 748**	**54 588**
Electricity	32 411	30 061	26 768	37 194	39 229	39 229	17 000	18 500	18 500
Water	34 053	57 384	50 766	15 900	23 832	23 832	12 800	26 594	26 488
Waste water management	20 304	39 927	20 728	11 150	12 353	12 353	14 300	14 654	9 600
Waste management	1 859	196	5 528	1 400	3 041	3 041	10 200		
Other									
Total Capital Expenditure - Standard	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Funded by:									
National Government	17 443	40 212	36 911	22 355	22 105	22 105	24 174	23 587	24 388
Provincial Government	6 348	14 621	16 898	13 673	13 742	13 742	10 060	15 900	7 000
District Municipality					–	–			
Other transfers and grants					187	187	1 000		
Transfers recognised - capital	**23 791**	**54 833**	**53 809**	**36 028**	**36 034**	**36 034**	**35 234**	**39 487**	**31 388**
Public contributions & donations	4 966	14 300	5 067	3 583	2 083	2 083	1 134		
Borrowing	86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Internally generated funds	38 418	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Total Capital Funding	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital expenditure amounts to R97,7 million in 2014/15.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2014/15, capital transfers totals R35,2 million. Borrowing has been provided at R40 million, finance leases at R6,9 million and internally generated funding totaling R10 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	20 004	51 699	29 106	84 406	84 406	84 406	88 050	93 014	96 452
Call investment deposits	50 000	75 000	55 042	–	–	–	–	–	–
Consumer debtors	44 422	50 361	49 080	50 826	50 826	50 826	52 591	53 446	53 828
Other debtors	45 628	36 501	46 353	40 769	45 386	45 386	44 398	45 802	54 962
Current portion of long-term receivables	24	25	17	14	14	14	14	12	10
Inventory	51 567	16 446	18 937	7 486	11 628	11 628	12 092	12 585	13 108
Total current assets	**211 644**	**230 033**	**198 535**	**183 501**	**192 260**	**192 260**	**197 146**	**204 860**	**218 360**
Non current assets									
Long-term receivables	147	126	84	73	73	73	57	45	33
Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Investment property	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Investment in Associate									
Property, plant and equipment	3 024 361	3 073 014	3 105 649	3 080 474	3 085 945	3 085 945	3 072 423	3 047 758	3 015 499
Agricultural									
Biological									
Intangible	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
Other non-current assets	27 902	22 049	1 025	–	39 500	39 500	39 500	39 500	–
Total non current assets	**3 144 498**	**3 209 100**	**3 298 669**	**3 188 259**	**3 322 212**	**3 322 212**	**3 316 479**	**3 297 047**	**3 230 587**
TOTAL ASSETS	**3 356 142**	**3 439 132**	**3 497 204**	**3 371 760**	**3 514 472**	**3 514 472**	**3 513 625**	**3 501 907**	**3 448 947**
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	14 218	16 798	18 241	20 623	20 623	20 623	25 105	28 542	31 528
Consumer deposits	18 363	31 206	34 932	38 618	38 618	38 618	41 321	44 214	47 309
Trade and other payables	90 828	67 728	74 643	64 237	62 036	62 036	55 831	68 465	55 956
Provisions	6 471	21 847	27 670	6 831	6 831	6 831	31 592	33 956	36 113
Total current liabilities	**129 879**	**137 580**	**155 486**	**130 310**	**128 109**	**128 109**	**153 849**	**175 177**	**170 906**
Non current liabilities									
Borrowing	247 081	341 204	364 654	391 789	391 789	391 789	411 766	428 224	441 696
Provisions	97 414	111 097	119 319	135 325	135 325	135 325	137 501	144 548	151 960
Total non current liabilities	**344 496**	**452 301**	**483 973**	**527 115**	**527 115**	**527 115**	**549 267**	**572 772**	**593 655**
TOTAL LIABILITIES	**474 375**	**589 880**	**639 459**	**657 425**	**655 224**	**655 224**	**703 116**	**747 949**	**764 562**
NET ASSETS	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 564 679	2 847 332	2 855 854	2 397 233	2 857 322	2 857 322	2 808 575	2 752 018	2 682 425
Reserves	317 089	1 920	1 891	317 103	1 927	1 927	1 934	1 941	1 960
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is largely aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 62 is supported by an extensive table of notes (SA3 which can be found on page 95) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	522 926	577 470	591 940	652 431	708 215	708 215	716 842	760 607	793 858
Government - operating	64 071	37 750	44 908	68 984	70 101	70 101	58 407	84 037	99 909
Government - capital	26 431	54 833	53 809	42 971	41 620	41 620	36 368	39 487	31 388
Interest	6 168	9 211	9 752	9 918	9 222	9 222	8 454	8 443	8 577
Dividends									
Payments									
Suppliers and employees	(510 106)	(520 159)	(551 464)	(622 122)	(654 985)	(654 985)	(653 525)	(727 095)	(807 344)
Finance charges	(19 373)	(31 669)	(37 174)	(42 292)	(42 292)	(42 292)	(45 162)	(47 472)	(49 508)
Transfers and Grants	(23 620)	(28 454)	(35 856)	(38 766)	(39 217)	(39 217)	(41 370)	(44 065)	(46 708)
NET CASH FROM/(USED) OPERATING ACTIVITI	**66 499**	**98 981**	**75 915**	**71 124**	**92 664**	**92 664**	**80 014**	**73 943**	**30 172**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	23 447	13 722	1 725	–	4 617	4 617			
Decrease (Increase) in non-current debtors	17 137	2 189	–	–	1 025	1 025	–	–	39 500
Decrease (increase) other non-current receivables	29	20	50	48	14	14	15	14	14
Decrease (increase) in non-current investments	(1 262)	(4 430)	(4 960)	(5 359)	(4 783)	(4 783)	(5 827)	(5 618)	(5 683)
Payments									
Capital assets	(150 497)	(163 275)	(143 764)	(109 897)	(126 482)	(126 482)	(97 721)	(86 162)	(80 118)
NET CASH FROM/(USED) INVESTING ACTIVITIE	**(111 146)**	**(151 774)**	**(146 949)**	**(115 209)**	**(125 609)**	**(125 609)**	**(103 533)**	**(91 765)**	**(46 287)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	940	(389)	–	–	–	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	90 000	110 000	38 700	51 300	51 300	51 300	40 000	45 000	45 000
Increase (decrease) in consumer deposits	4 469	12 844	3 726	3 704	3 686	3 686	2 703	2 893	3 095
Payments									
Repayment of borrowing	(9 442)	(14 295)	(13 554)	(18 032)	(21 783)	(21 783)	(21 061)	(23 929)	(27 220)
NET CASH FROM/(USED) FINANCING ACTIVITI	**85 027**	**109 489**	**28 482**	**36 973**	**33 204**	**33 204**	**27 163**	**22 787**	**19 553**
NET INCREASE/ (DECREASE) IN CASH HELD	**40 380**	**56 696**	**(42 552)**	**(7 112)**	**259**	**259**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the year begin:	**29 623**	**70 004**	**126 699**	**91 518**	**84 147**	**84 147**	**84 406**	**88 050**	**93 014**
Cash/cash equivalents at the year end:	**70 004**	**126 699**	**84 147**	**84 406**	**84 406**	**84 406**	**88 050**	**93 014**	**96 452**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality remaines steady over the 2013/2014 to 2016/17 period.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R88 million as at the end of the 2014/2015 financial year and increases to R96,4 million by 2016/17.

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Other current investments > 90 days	0	0	–	–	–	–	–	–	–
Non current assets - Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Cash and investments available:	**71 265**	**132 391**	**95 744**	**100 786**	**100 786**	**100 786**	**110 257**	**120 839**	**129 960**
Application of cash and investments									
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
Unspent borrowing	–	18 255	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(7 780)	(28 049)	(20 695)	(25 504)	(40 374)	(40 374)	(40 803)	(30 246)	(51 267)
Other provisions									
Long term investments committed	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Reserves to be backed by cash/investments									
Total Application of cash and investments:	**3 437**	**453**	**(1 315)**	**(9 124)**	**(23 994)**	**(23 994)**	**(18 596)**	**(2 421)**	**(17 759)**
Surplus(shortfall)	**67 829**	**131 938**	**97 059**	**109 910**	**124 780**	**124 780**	**128 853**	**123 260**	**147 718**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

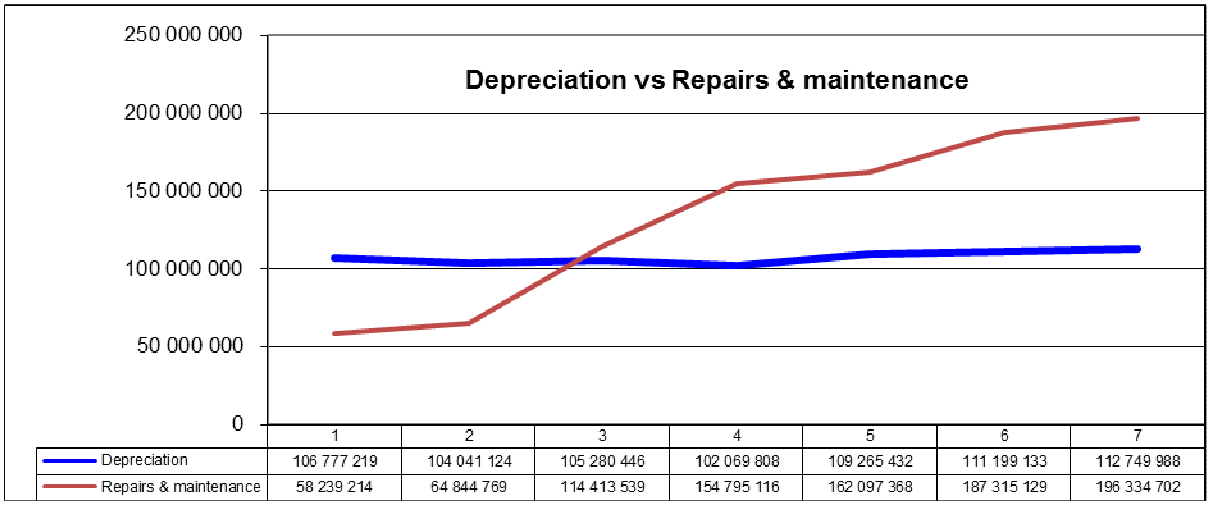
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.

Table 25 MBRR Table A9 - Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE									
Total New Assets	**154 117**	**163 275**	**139 617**	**70 731**	**77 825**	**77 825**	**69 581**	**51 823**	**49 918**
Infrastructure - Road transport	20 923	12 754	15 578	9 160	9 360	9 360	800	2 000	1 000
Infrastructure - Electricity	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Infrastructure - Water	34 053	57 384	48 634	7 300	8 392	8 392	–	5 094	12 488
Infrastructure - Sanitation	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 252*	*50 904*	*55 858*	*55 858*	*34 500*	*31 248*	*28 388*
Community	17 814	6 183	20 997	13 189	13 609	13 609	18 266	17 900	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	9 038	6 638	8 358	8 358	16 815	2 675	7 730
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	118	928	1 330	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**–**	**4 147**	**39 166**	**48 657**	**48 657**	**28 139**	**34 339**	**30 200**
Infrastructure - Road transport	–	–	131	8 710	7 069	7 069	5 400	4 900	4 000
Infrastructure - Electricity	–	–	–	13 300	13 344	13 344	3 100	7 000	9 200
Infrastructure - Water	–	–	–	8 600	15 440	15 440	12 800	21 500	14 000
Infrastructure - Sanitation	–	–	–	2 000	2 974	2 974	3 900	–	3 000
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	*131*	*32 610*	*38 826*	*38 826*	*25 200*	*33 400*	*30 200*
Community	–	–	756	5 716	8 992	8 992	2 939	939	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	3 260	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	839	839	839	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	20 923	12 754	15 709	17 870	16 428	16 428	6 200	6 900	5 000
Infrastructure - Electricity	32 411	30 061	22 203	37 194	39 229	39 229	17 000	18 500	18 500
Infrastructure - Water	34 053	57 384	48 634	15 900	23 832	23 832	12 800	26 594	26 488
Infrastructure - Sanitation	15 142	32 650	16 478	11 150	12 153	12 153	13 500	12 654	8 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 383*	*83 514*	*94 684*	*94 684*	*59 700*	*64 648*	*58 588*
Community	17 814	6 183	21 753	18 905	22 602	22 602	21 205	18 839	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	12 298	6 638	8 358	8 358	16 815	2 675	7 730
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	118	928	1 330	839	839	839	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	969 647	946 061	946 309	809 135	931 864	931 864	906 551	881 740	854 553
Infrastructure - Electricity	601 522	600 736	608 753	632 360	626 333	626 333	620 545	616 022	611 097
Infrastructure - Water	378 195	419 500	454 017	478 605	460 425	460 425	453 857	459 080	463 823
Infrastructure - Sanitation	358 175	379 653	380 883	375 354	378 909	378 909	376 342	373 752	366 863
Infrastructure - Other	39 146	37 051	39 059	129 996	50 193	50 193	70 579	83 872	91 210
Infrastructure	*2 346 686*	*2 383 001*	*2 429 021*	*2 425 450*	*2 447 724*	*2 447 724*	*2 427 874*	*2 414 466*	*2 387 546*
Community	80 184	81 364	78 567	115 505	83 092	83 092	85 009	82 935	84 723
Heritage assets	76 995	108 552	99 322	76 995	99 322	99 322	99 322	99 322	99 322
Investment properties	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Other assets	520 495	500 097	498 740	462 523	455 806	455 806	456 970	447 787	441 759
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	**3 115 187**	**3 181 234**	**3 285 964**	**3 171 806**	**3 266 260**	**3 266 260**	**3 251 467**	**3 226 430**	**3 194 898**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Repairs and Maintenance by Asset Class	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Infrastructure	*38 271*	*43 120*	*87 048*	*135 022*	*131 381*	*131 381*	*136 752*	*155 760*	*162 666*
Community	3 574	6 012	5 408	8 252	8 749	8 749	9 298	10 114	11 373
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	199	270	–	–	–	–	–	–	–
Other assets	16 195	15 443	21 958	20 086	14 666	14 666	16 218	21 086	21 989
TOTAL EXPENDITURE OTHER ITEMS	**165 016**	**168 886**	**219 694**	**267 170**	**256 865**	**256 865**	**271 533**	**298 159**	**308 777**
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*2.9%*	*35.6%*	*38.5%*	*38.5%*	*28.8%*	*39.9%*	*37.7%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*3.9%*	*37.7%*	*47.7%*	*47.7%*	*25.8%*	*30.9%*	*26.8%*
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
Renewal and R&M as a % of PPE	*2.0%*	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*7.0%*	*7.0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF.



	1	2	3	4	5	6	7
Depreciation	106 777 219	104 041 124	105 280 446	102 069 808	109 265 432	111 199 133	112 749 988
Repairs & maintenance	58 239 214	64 844 769	114 413 539	154 795 116	162 097 368	187 315 129	196 334 702

Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	26 632	26 813	27 833	27 400	27 957	27 957	28 100	28 300	28 600
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	3 671	3 449	3 776	3 400	3 406	3 406	3 350	3 300	3 250
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	18 679	19 082	20 354	19 620	19 975	19 975	20 030	20 125	20 290
Flush toilet (with septic tank)	11 624	11 180	11 255	11 180	11 388	11 388	11 420	11 475	11 560
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Energy:									
Electricity (at least min.service level)	12 500	10 500	9 500	9 000	9 000	9 000	8 700	8 400	8 000
Electricity - prepaid (min.service level)	12 300	14 700	16 100	16 900	16 900	16 900	17 700	18 500	19 300
Minimum Service Level and Above sub-total	24 800	25 200	25 600	25 900	25 900	25 900	26 400	26 900	27 300
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)				1 870	1 600	1 600	1 000	500	
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	1 870	1 600	1 600	1 000	500	–
Total number of households	**24 800**	**25 200**	**25 600**	**27 770**	**27 500**	**27 500**	**27 400**	**27 400**	**27 300**
Refuse:									
Removed at least once a week	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Minimum Service Level and Above sub-total	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 357**	**31 373**	**31 739**	**31 800**	**31 800**	**31 800**	**32 691**	**33 671**	**34 681**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	29 640	29 763	27 752	37 921	6 552	6 552	6 700	6 800	6 900
Sanitation (free minimum level service)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Electricity/other energy (50kwh per household pe	2 700	3 700	4 100	4 350	4 350	4 350	4 785	5 260	5 790
Refuse (removed at least once a week)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 058	5 463		7 286	7 286	7 286	7 723	8 186	8 677
Sanitation (free sanitation service)	7 356	4 422		6 538	6 538	6 538	6 930	7 346	7 787
Electricity/other energy (50kwh per household pe	11 085	12 233		14 336	17 287	17 287	18 809	19 090	19 371
Refuse (removed once a week)	6 048	6 531		8 655	8 655	8 655	9 174	9 725	10 308
Total cost of FBS provided (minimum social p	**29 547**	**28 649**	**–**	**36 815**	**39 766**	**39 766**	**42 637**	**44 347**	**46 143**
Highest level of free service provided									
Property rates (R value threshold)	50 000	50 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	47	51	54	58	58	58	61	65	69
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 621	1 735	1 837	1 965	1 965	1 965	1 965	1 965	1 965
Property rates (other exemptions, reductions and rebates)				26 522	26 522	26 522	26 522	26 522	26 522
Water	5 058	5 463	7 149	6 826	7 816	7 816	8 285	8 782	9 309
Sanitation	7 356	7 945	5 540	6 538	6 057	6 057	6 420	6 806	7 214
Electricity/other energy	11 085	12 233	13 670	2 030	14 945	14 945	15 842	16 792	17 800
Refuse	6 048	6 531	9 099	8 655	9 948	9 948	10 545	11 178	11 848
Municipal Housing - rental rebates	27 250	15 176	–	–	–	–	–	–	–
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**58 418**	**49 083**	**37 295**	**52 536**	**67 253**	**67 253**	**69 579**	**72 045**	**74 658**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
    a. Electricity services – the current backlog should be eliminated in two years.
3. The budget provides for 6 500 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R42 million in 2014/15. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 28 August 2013. Key dates applicable to the process were:

- **19 September 2013** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2014/15 MTREF;
- **25 September 2013** – Mayoral directional IDP/Budget speech;
- **September/October 2013** – IDP consultation sessions were held with the ward committees and broader stakeholders (service organisations) to gather information on the "community needs" per ward. This initiative was executed as part of the municipality's 2014/15 IDP review process consultation meetings with ward committees to identify community needs;
- **September/October 2013** – Review of the draft capital budget with reference to the 2013/2014 MTREF and ward committees submit draft ward specific projects;
- **October 2013** – Submission of tariff proposals and tariff workshops
- **November 2013** – Top management meeting to discuss budget proposals and affordability;
- **November 2013** – Workshop on tariffs and tariff related policies;
- **November/December 2013 –** Mid-year review by the BSC of the 2013/2014 progress and review of 2014-2017 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2014** – Tariff finalisation, review budget related policies, discussions on draft 2014/2015 Capex & Opex;
- **22 January 2014** - Council considered the 2013/2014 Mid-year Review;
- **29 January 2014** – Final tariffs and adjustments budget review;
- **3&4 February 2014** – Finalisation of adjustments budget;

- **19 February 2014** – Workshop with councillors with regards to the adjustments budget;
- **19 February 2014** – OMAF;
- **21 February 2014** – BSC finalises draft Capex/Opex;
- **March 2014** – Budget office finalises budget report;
- **20 March 2014** - Tabling in Council of the draft 2014/15 IDP and 2014/15 MTREF for public consultation;
- **2 – 23 April 2014** – Public consultation – Public meetings for all the wards in the municipal area to present the draft budget to the community.
- **29 April 2014** – LG MTEC3 engagement;
- **30 April 2014** - Closing date for written comments;
- **2 to 20 May 2014** – finalisation of the 2014/15 IDP and 2014/15 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework;
- **21 May 2014** – Final budget for distribution; and
- **28 May 2014** - Tabling of the 2014/15 MTREF in Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the further review of the five year (2012/2017) IDP as adopted by Council in May 2012. The review process started in September 2013 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF in August 2013.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans with key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/2014 MTREF, mid-year review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/2014 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance

- Economic climate (trends, inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/2014 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 70 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation on the Draft Budget

The draft 2014/15 MTREF, was tabled in Council on 20 March 2014 and made available to the community as follows:

Copies of the document could be viewed:

- At the offices of all Area Managers
- All public libraries within the municipality
- At the website: www.overstrand.gov.za

The tabling of the draft budget was advertised in all local newspapers and a copy of the advertisement was placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic and printed) were provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for comment.

A delegation of the municipality, consisting of the Executive Mayor, MMC for Finance, Municipal Manager, all Directors and officials from the Budget Office and Strategic Planning Office, held public meetings for all the wards in the municipal area to present the draft budget to the community. Ten public meetings were held over the period 2 to 23 April 2014.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects was taken into consideration by the Budget Steering Committee at a meeting held on 9 May 2014 for the finalisation of the 2014/2015 Budget.

Comments from the community and the municipality's responses thereto are included in Annexure G to this report.

Details of proposed amendments to the draft budget are included in Annexure A of this report.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision,

leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 27 IDP Strategic Objectives

2013/2014 Financial Year	2014/15 MTREF
Provision of democratic and accountable governance	The provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services	The provision and maintenance of municipal services
Encouragement of structured community participation in the matters of the municipality	The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment	The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development	The promotion of tourism, economic and social development

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development,

economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide municipality planning services; and
- Maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Extending waste removal services and ensuring effective municipality cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure maintenance strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organisational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the

Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the revised IDP of the 2012/2017 cycle, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
The provision of democratic, accountable and ethical governance	Corporate Governance	1	281 846	187 130	271 986	258 008	157 589	157 589	183 397	193 973	203 347
The provision and maintenance of municipal services	Basic Service Delivery	2	356 023	456 833	461 748	509 446	533 310	533 310	559 189	593 550	621 902
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				883	42 995	42 995	53 339	65 569	73 550
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	9 666	10 346	12 606	12 561	12 651	12 651	13 260	13 177	14 172
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	5 402	6 609	7 762	5 214	38 439	38 439	11 658	28 557	30 283
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**

Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Cod	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The provision of democratic, accountable and ethical governance	Corporate Governance	1	248 943	379 939	342 949	143 629	84 637	84 637	93 256	110 152	111 972
The provision and maintenance of municipal services	Basic Service Delivery	2	337 222	310 956	345 437	568 491	584 662	584 662	627 915	673 532	713 071
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				50 423	62 399	62 399	63 289	67 543	71 596
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	39 588	36 252	42 458	52 022	52 813	52 813	56 208	60 268	63 957
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	17 449	15 378	16 070	9 495	43 878	43 878	28 920	39 888	52 251
Allocations to other priorities											
Total Expenditure			**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**

Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
The provision of democratic, accountable and ethical governance	Corporate Governance	1	38 678	29 523	37 373	9 977	11 301	11 301	16 815	2 675	7 730
The provision and maintenance of municipal services	Basic Service Delivery	2	100 154	127 569	103 790	72 258	94 684	94 684	54 300	59 748	54 588
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				9 792	9 348	9 348	21 205	18 839	13 800
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	296	645	–						
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	14 990	5 538	2 601	17 870	11 150	11 150	5 400	4 900	4 000
Allocations to other priorities											
Total Capital Expenditure			**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

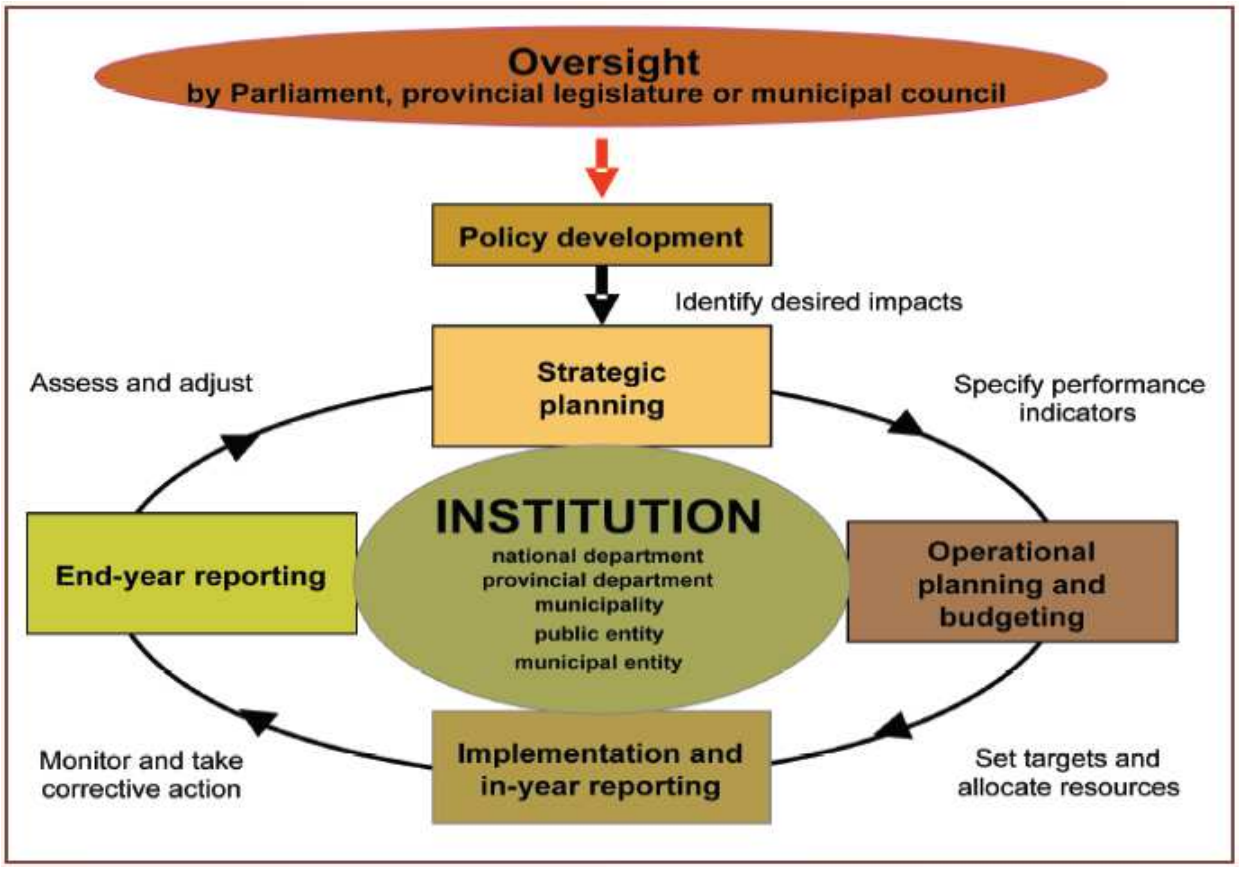


Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

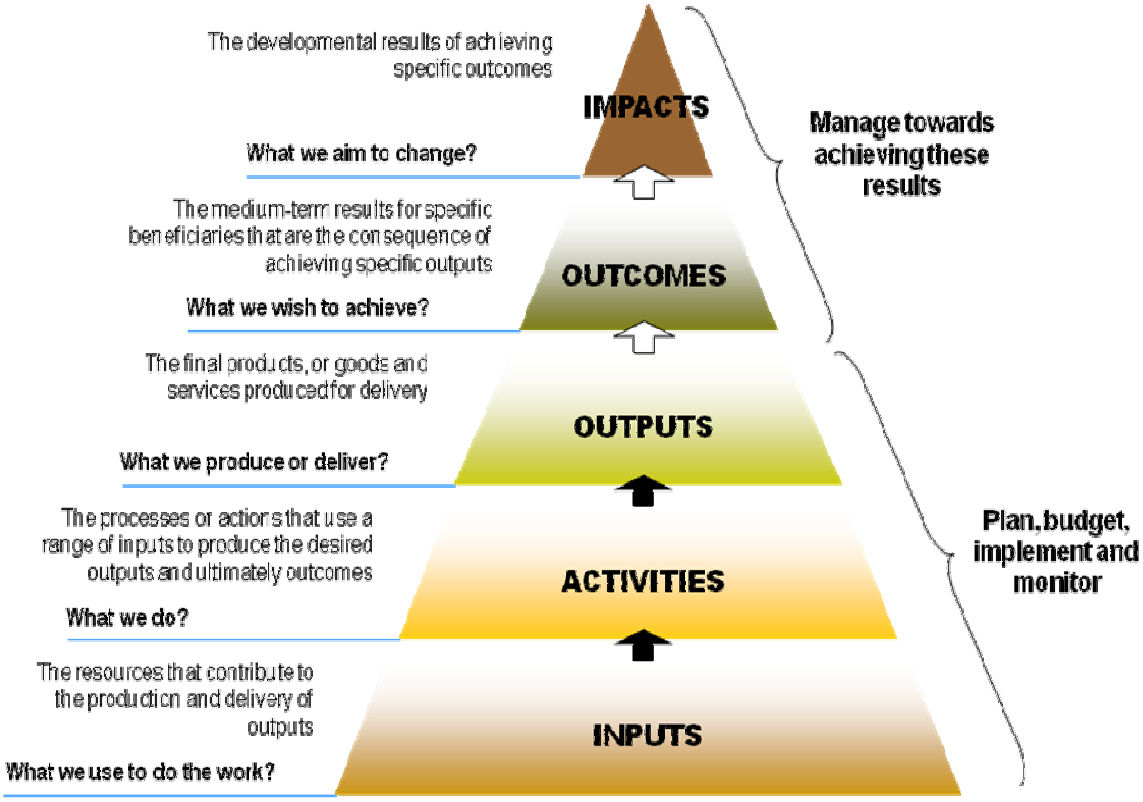


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Council										
Council and Municipal Manager										
Council										
Annual performance reporting	Annual report and	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Approval of Adjustment Budget	Approval of adjustment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Effecdtive functioning of committee systeml	No of sec 79 committee	4	5	4	4	4	4	4	4	4
Approval of Main Budget	Approval of Main Budget	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mayor										
Approval of SDBIP	Approval of SDBIP before	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Spreaker										
Effecdtive functioning of council	Number of ordinary	9	8	9	9	9	9	9	9	9
Municipal Mananger										
Functional Internal Audit Unit	Reviewed and approved	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Functional performance audit committee	No of meetings of the	4	4	4	4	4	4	4	4	4
Improved good governance	% Implementation of anti-	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Instutional performance management system	Individual performance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Institutional Performance management system	No of performance	8	7	7	7	7	7	7	7	7
Municipality complyin g with all relevant	No compliance findings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Management Services										
Director: Management Services										
Human Resources										
Creation of effective capacity	% Vacancy level as % of	90.0%	93.68%	90.00%	90.0%	90.0%	90.00%	90.0%	90.0%	90.0%
Reaching of employment equity targets	% of Targets reached per	100.0%	100.0%	10.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Targeted skills development	The percentage of budget	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Effective labour relations	No of meetings of the	9	8	9		9	9			
Effective and up to date HR policies	Revision of all HR	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Strategic Services										
Reviewed IDP	IDP reviewd by 31 May	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Finance										
Director: Finance										
Asset Management										
Asset management	Compliance with GRAP	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Director Finance										
Clean audit	% of Root causes of	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending -	% of total conditional	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Preparation of financial statements	Financial statements	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Updated indigent register for the provision of free	Updated indigent register	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending -	% of total conditional	98.0%	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending -	% of total conditional	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SCM										
Effective SCM system	No of tenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue										
Improved revenue collection	% Debt recovery rate	90.0%	99.3%	98.1%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Local Economic Development										
Director: LED										
LED										
Employment through job creation schemes	No of temporary jobs created	154	204	609	500	500	500	500	500	500
Completed and aligned LED strategy	LED strategy developed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Employment through job creation initiatives that ponder employment for locals	No of jobs created	50	204	23	20	20	20	20	20	20
Enhancement of economic development	Value of contracts assigned to emerging contractors	R 19 000 000	R4,185,237.16	R 561 335.28	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000
Improved skills development	No of workshops	4	11	9	10	10	10	10	10	10

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Community Services										
Director: Community Services										
Director: Community Services										
Effective functioning of ward committees	No of ward committee	8	13	13		13	13			
Maintenance of grave yards	% of maintenance budget	98.0%	96.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of halls and facilities	% of maintenance budget	98.0%	98.0%	94.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of recreational areas	% of maintenance budget	98.0%	97.7%	90.5%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Number of informal settlements formalised and	Number of informal	2	2							
Maintenance of municipal roads	% of maintenance budget		98.2%	91.3%	98.0%	98.0%	98.0%	9.0%	98.0%	98.0%
Maintenance of municipal roads (Reseal)	Kms of roads patched	98.0%	98.0%							
Provision of sport facilities	% upgrade of the sport	93.0%	98.0%							
Maintenance of refuse removal services	% of approved	98.0%	103.2%	100.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of refuse removal services	% of maintenance budget	98.0%	103.2%	99.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of sanitation services	% of approved	98.0%	98.3%	99.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of sanitation services	% of maintenance budget	98.0%	99.8%	97.9%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Quality of waste water discharge	% Effluent compliance	60.0%	88.6%	86.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Maintenance of water assets	% of maintenance budget	98.0%	100.6%	97.1%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of water services	% of approved	98.0%	95.37%	97.02%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
New water connections	No of new water	410	410	188		100				
Replacement of existing water meters	No of meters replaced	200	200	60						
Infrastructure & Planning										
Director: Infrastructure and Planning										
Sub-function 1 - (name)										
Effective capital spending	% spent of approved	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of electricity assets	% of maintenance budget	98.0%	58.25%		98.0%					
New electricity connections	No of new electricity		482	122						
No of HH that meet agreed service standards	No of HH achieving	410	21898	21998	21898	21998	21998	21998	21998	21998
Percentage electricity losses	KW billed/ KW used by	10.0%	7.1%	6.9%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Development of an Integrated Human Settlement	Strategy developed by	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Effective capital spending	% spent of approved	98.0%	98.0%	102.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Effective capital spending	% spent of approved	98.0%	98.0%	77.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
No of HH that meet agreed waste service	No of HH that meet	26000	30334	31739	26000					
Effective capital spending	% spent of approved	98.0%	98.0%	100.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of stormwater services	% of maintenance budget	98.0%	98.3%	101.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Effective capital spending	% spent of approved	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
No of HH that meet agreed sanitation service	No of HH without	26000	30851	30930	32136	32136	32136	32136	32136	32136
No of HH that meet agreed sanitation service	No of HH that meet	3726	(included in	30930 (inludes						
Effective capital spending	% spent of approved	98.0%	98%	86%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Excellent water quality	% compliance as per the	77.0%	114.7%	86.0%	95.0%	98.0%	98.0%	98.0%	98.0%	98.0%
No of HH that meet agreed service standards	No of HH achieving	26000	30851	25360	25110	25110	25110	25110	25110	25110
Percentage water losses	KL billed/ KL used by	32.0%	27.25%	27.87%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Percentage/ No of HH that meet agreed service	% of HH achieving	3762	(included in	25360						
Protection Services										
Director Protection Services										
Fire Manangement										
Effective fire brigade service	Fire Management Plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Reviewed Disaster Management Plan	Disaster Management	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Law Enforcement										
Effective law enforcement activities	% Decrease in law	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Traffic										
Effective traffic enforcement activities	% Decrease in traffic	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.5%	6.2%	6.8%	7.3%	7.7%	7.7%	7.6%	7.5%	7.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	8.2%	7.8%	8.9%	9.5%	9.5%	9.1%	9.3%	9.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	71.8%	117.8%	45.1%	73.0%	58.1%	58.1%	74.2%	93.9%	89.6%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	77.9%	17772.6%	19278.6%	123.6%	20333.9%	20333.9%	21294.4%	22066.8%	22535.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.6	1.7	1.3	1.4	1.5	1.5	1.3	1.2	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.7	1.3	1.4	1.5	1.5	1.3	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.9	0.5	0.6	0.7	0.7	0.6	0.5	0.6
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		101.5%	105.3%	91.7%	97.9%	106.5%	99.6%	99.6%	99.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.9%	14.6%	13.7%	12.3%	13.0%	13.0%	12.4%	11.6%	11.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.0%	99.8%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		115.5%	49.9%	79.5%	76.1%	73.5%	73.5%	63.4%	73.6%	58.0%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	19028627	16012859	15831477	17200000	16033400	15654000	15896000	16142000	16354000
	Total Cost of Losses (Rand '000)	6 159	6 513	7 101	8 015	8 826	8 610	9 127	9 674	10 255
	% Volume (units purchased and generated less units sold)/units purchased and generated	8.37%	7.12%	6.91%	0	6.85%	6.70%	6.67%	6.64%	6.60%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1860248	1428898	1 444 853	1 500 000	1 465 550	1 465 550	1 476 200	1 528 020	1 581 540
	Total Cost of Losses (Rand '000)	3 101	2 892	1842	3 279	3500	2785	3085	3514	4001
	% Volume (units purchased and generated less units sold)/units purchased and generated	24.24%	20.36%	20.01%	0	20.20%	20.89%	20.23%	20.14%	20.04%
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.8%	34.8%	33.3%	33.8%	34.0%	34.0%	35.7%	34.9%	34.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.6%	35.9%	34.3%	34.8%	35.0%	35.0%	36.8%	35.9%	36.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.6%	10.9%	16.5%	22.0%	20.8%	20.8%	20.7%	21.9%	21.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.8%	22.7%	20.5%	19.7%	19.4%	19.4%	19.7%	18.6%	17.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	23.4	24.0	23.4	21.7	21.7	21.7	22.4	21.5	22.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.7%	16.6%	17.0%	14.5%	15.3%	15.3%	14.2%	13.6%	14.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.0	3.1	1.8	1.7	1.6	1.6	1.6	1.6	1.5

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing will remain steady over the MTREF at 7,5 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 87 per cent which indicates the limited amount available from own sources to finance capital. This is as a result of utilising any surpluses as they become available.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2011/2012 MTREF the potential of smoothing out the debt profile over the longer term was investigated and borrowing was capped in the borrowing policy. The gearing on borrowing will be reduced by 10 per cent over a period of ten years as started in 202/2013.

2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. This ratio is not conducive to the GRAP accounting framework due to the low amount of reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.2, therefore at no point in time should this ratio be less than 1.2. Over the 2014/15 MTREF the current ratio is 1.3. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to increase this ratio, notwithstanding that it will tie up cash needed for capital investment.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Overstrand Municipality's liquidity ratio is at an average of 0.6 per cent over the MTREF. This includes consumer deposits and provisions which are not likely to be realised in the short term. Consideration should be given to exclude a vast portion of consumer deposits. With the former mentioned items excluded, this ratio would be 1.1 over the MTREF. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1, notwithstanding that it will tie up cash needed for capital investment.

Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.4 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.5 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 6.6 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range between 3 – 5 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.

- The water distribution losses have been significantly reduced from 27.4 per cent in 2009/10 to 20 per cent in 2013/2014. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.

- Employee costs as a percentage of operating revenue remains stable, with an indication of a decrease over the MTREF. This is primarily owing to the very limited expansion of the personnel structure, high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2014/15 financial year 6 500 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 6kℓ free water and 50 kWh of electricity, are fully subsided for basic charges for services and 4,2kℓ sanitation. Household with a property valuation of R100 000 qualify upon registration as indigents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 39.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes) are not taken into account in the table noted above due to the measuring criteria.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts an annual performance rating of water and sewage treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The municipality has achieved Blue Drop and Green Drop awards in 2013/2014, indicating that the municipality's drinking water is of exceptional quality.

The following is briefly the challenges facing the municipality:

- Some infrastructure is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Customer Care, Credit Control and Debt Collection Policy

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate in excess of 99 per cent on current billings. The current collection rate is in excess of 99 per cent. In addition the collection of debt in excess of 90 days has been prioritised.

2.4.2 Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in 2008. The policy is continually revised to incorporate amending legislation.

2.4.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

2.4.6 Investment & Cash Management Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.4.7 Tariff Policy

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.8 Long term Financial Planning & Implementation Policy

Funding for the compiling of a The Long term Financial Planning Policy has been acquired from the Provincial Government. A service provider has been appointed to commence with the initial stage.

2.4.9 Contract Management Policy

This policy has been introduced to further enhance the supply management function.

2.4.10 Pay Day Policy

This policy has been introduced to give effect to the council resolution in this regard.

The following policies have also been subject to review:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Indigent Policy;
- Travelling & Subsistence;
- Petty Cash

2.5 Overview of budget assumptions

2.5.1 External factors

The effects of recession are still evident. After a protracted standstill in interest rates, this increased by 25 basis points recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising continually.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 34 per cent of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate linked to CPI over the medium term. It is also assumed that current economic conditions, and relative inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (99 per cent) of annual billings. Cash flow is assumed to be 99,5 per cent of billings from an increased collection of arrear debt.

2.5.5 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' mainly limits consumption to the level of free basic services.

2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 01 July 2012 and shall remain in force until 30 June 2015.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 99 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2014/15 MTREF.

2.6 Overview of budget funding

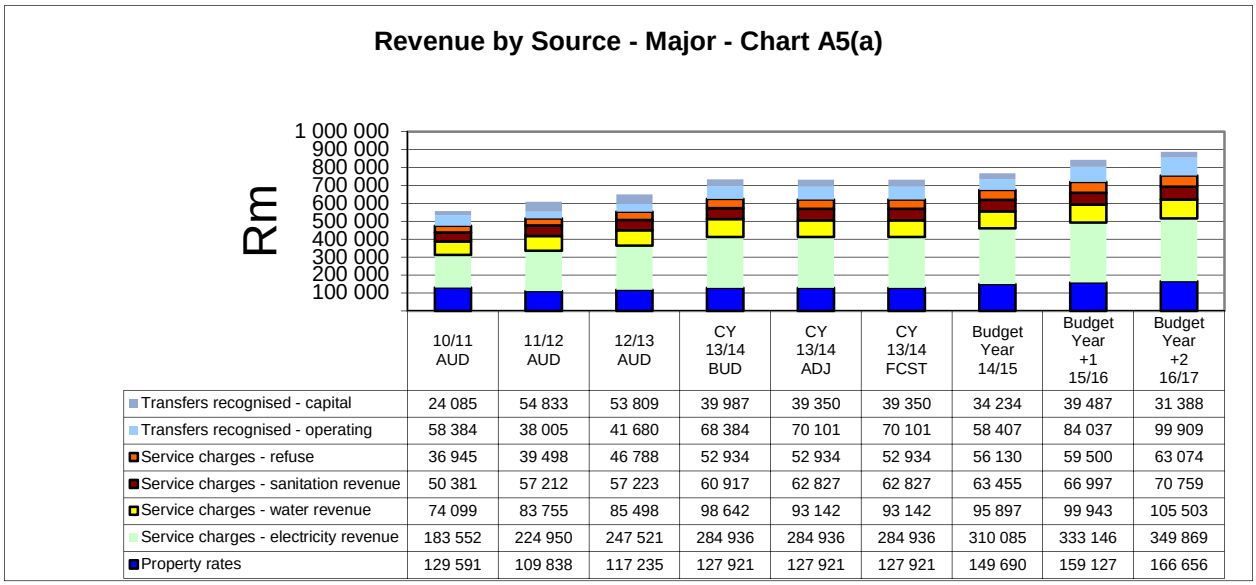
2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 33 Breakdown of the operating revenue over the medium-term

Description	2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source			
Property rates	148 640	158 025	165 498
Service charges	525 567	559 586	589 204
Rental of facilities and equipment	7 966	8 739	9 615
Interest earned	8 454	8 443	8 577
Transfers recognised - operational	58 407	84 037	99 909
Other revenue	35 440	36 510	39 064
Total Revenue (excluding capital transfers and contributions)	**784 474**	**855 339**	**911 867**

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Transfers recognised - operating	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Service charges - refuse	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Property rates	129 591	109 838	117 235	127 921	127 921	127 921	149 690	159 127	166 656

Figure 7 Breakdown of operating revenue over the 2014/15 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 99 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements; and
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Table 34 Proposed tariff increases over the medium-term

Refer to Annexure C for Tariffs increases

The levying of property rates is considered a strategic revenue source.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket.

Operational grants and subsidies have shown increases over the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF.

Investment revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 35 MBRR SA15 – Detail Investment Information

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	50 000	75 000	55 042						
Deposits - Public Investment Commissioners									
Guaranteed Endowment Policies (sinking)	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Municipal Bonds									
Consolidated total:	**51 262**	**80 691**	**66 638**	**16 379**	**16 379**	**16 379**	**22 207**	**27 825**	**33 508**

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE				01/09/2025	6 383	298		1 500	**8 181**
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE				01/09/2025	9 186	252		3 100	**12 538**
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE				01/07/2026	1 079	48		360	**1 488**
													-
TOTAL INVESTMENTS AND INTEREST									**16 649**		**-**	**4 960**	**22 207**

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Vote Description	2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funded by:			
National Government	24 174	23 587	24 388
Provincial Government	10 060	15 900	7 000
District Municipality			
Other transfers and grants	1 000		
Transfers recognised - capital	**35 234**	**39 487**	**31 388**
Public contributions & donations	1 134		
Borrowing	46 923	45 000	45 000
Internally generated funds	14 430	1 675	3 730
Total Capital Funding	**97 721**	**86 162**	**80 118**

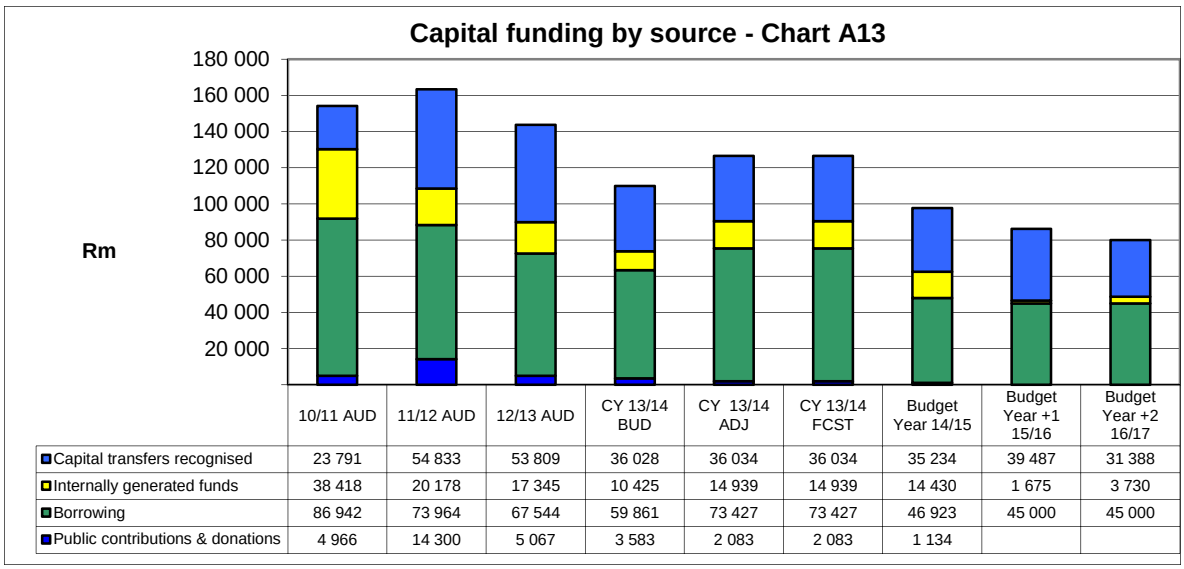


Figure 8 Sources of capital revenue for the 2014/15 financial year

Capital grants and receipts equates to 36 per cent of the total funding source which represents R35,2 million for the 2014/15

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R130 million. As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 38 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Long-Term Loans (annuity/reducing balance)	247 081	250 581	274 394	291 789	291 789	291 789	307 225	325 005	339 982
Long-Term Loans (non-annuity)		90 000	90 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock									
Instalment Credit							4 541	3 219	1 713
Financial Leases		623	260						
Other Securities									
Total Borrowing	**247 081**	**341 204**	**364 654**	**391 789**	**391 789**	**391 789**	**411 766**	**428 224**	**441 696**
Unspent Borrowing - Categorised by type									
Long-Term Loans (annuity/reducing balance)		18 255							
Total Unspent Borrowing	**–**	**18 255**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Figure 9 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R10 million in 2014/2015, R1,6 million 2015/16 and R4,8 million in 2016/17

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The following graph illustrates the growth in outstanding borrowing for the 2007/08 to 2014/14 period.

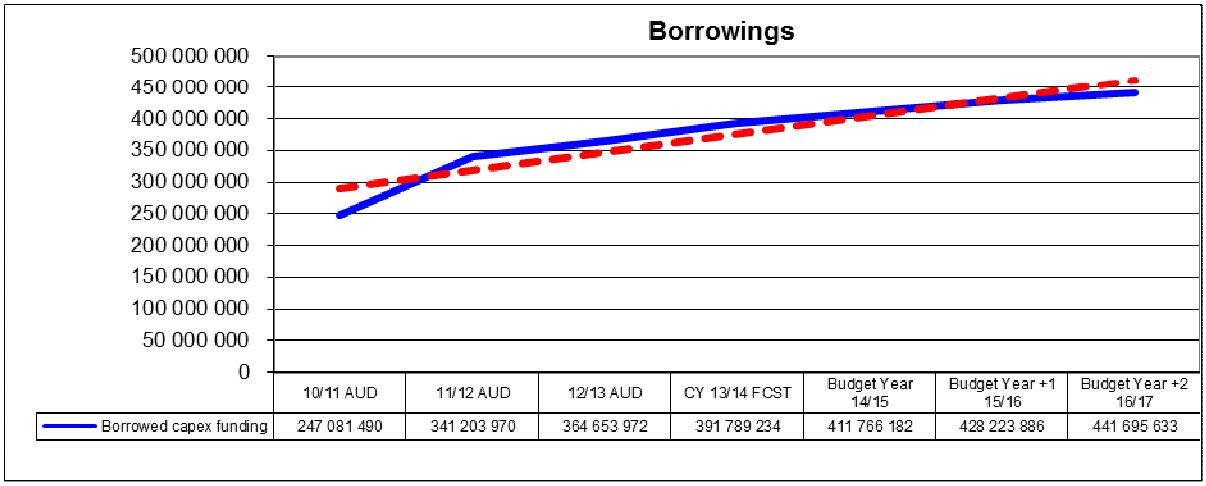


Figure 10 Growth in outstanding borrowing (long-term liabilities)

Table 39 MBRR Table SA 18 - Capital transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:									
Capital Transfers and Grants									
National Government:	**23 784**	**54 183**	**37 839**	**26 325**	**25 718**	**25 718**	**24 174**	**23 587**	**24 388**
Municipal Infrastructure Grant (MIG)	9 209	13 971	16 947	18 755	18 755	18 755	20 674	21 587	22 388
Public Transport and Systems			1 500						
Municipal Infrastructure Grant (MIG)		36 212	15 174						
Neighbourhood Development Partnership	10 936	2 000	2 418	3 970	3 963	3 963			
Finance Management				600			566		
Municipal Systems Improvement							934		
INEP	3 639	2 000	1 800	3 000	3 000	3 000	2 000	2 000	2 000
Provincial Government:	**6 348**	**6 605**	**18 693**	**6 671**	**6 671**	**6 671**	**10 060**	**15 900**	**7 000**
Housing/ABS/CDW/Library	6 348	6 605	18 693	5 689	5 689	5 689	7 810	15 900	7 000
Sport & Recreation Grant							100		
Provincial Library Grant							2 150		
Pronicial Transport Infrastructure Grant				982	982	982			
Other grant providers:	**1 000**	**-**	**-**	**-**	**-**	**-**	**2 134**	**-**	**-**
Mobility strategy (pound)/ Walkways	1 000								
DWA ACIP							1 000		
Spaces 4 Sport							51		
Eskom Rebate/National Lotto							1 083		
Total Capital Transfers and Grants	31 132	60 787	56 532	32 996	32 389	32 389	36 368	39 487	31 388

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 40 MBRR Table A7 - Budgeted cash flow statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	522 926	577 470	591 940	652 431	708 215	708 215	716 842	760 607	793 858
Government - operating	64 071	37 750	44 908	68 984	70 101	70 101	58 407	84 037	99 909
Government - capital	26 431	54 833	53 809	42 971	41 620	41 620	36 368	39 487	31 388
Interest	6 168	9 211	9 752	9 918	9 222	9 222	8 454	8 443	8 577
Dividends									
Payments									
Suppliers and employees	(510 106)	(520 159)	(551 464)	(622 122)	(654 985)	(654 985)	(653 525)	(727 095)	(807 344)
Finance charges	(19 373)	(31 669)	(37 174)	(42 292)	(42 292)	(42 292)	(45 162)	(47 472)	(49 508)
Transfers and Grants	(23 620)	(28 454)	(35 856)	(38 766)	(39 217)	(39 217)	(41 370)	(44 065)	(46 708)
NET CASH FROM/(USED) OPERATING ACTIVIT	**66 499**	**98 981**	**75 915**	**71 124**	**92 664**	**92 664**	**80 014**	**73 943**	**30 172**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	23 447	13 722	1 725	–	4 617	4 617			
Decrease (Increase) in non-current debtors	17 137	2 189	–	–	1 025	1 025	–	–	39 500
Decrease (increase) other non-current receivables	29	20	50	48	14	14	15	14	14
Decrease (increase) in non-current investments	(1 262)	(4 430)	(4 960)	(5 359)	(4 783)	(4 783)	(5 827)	(5 618)	(5 683)
Payments									
Capital assets	(150 497)	(163 275)	(143 764)	(109 897)	(126 482)	(126 482)	(97 721)	(86 162)	(80 118)
NET CASH FROM/(USED) INVESTING ACTIVITIE	**(111 146)**	**(151 774)**	**(146 949)**	**(115 209)**	**(125 609)**	**(125 609)**	**(103 533)**	**(91 765)**	**(46 287)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	940	(389)	–	–	–	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	90 000	110 000	38 700	51 300	51 300	51 300	40 000	45 000	45 000
Increase (decrease) in consumer deposits	4 469	12 844	3 726	3 704	3 686	3 686	2 703	2 893	3 095
Payments									
Repayment of borrowing	(9 442)	(14 295)	(13 554)	(18 032)	(21 783)	(21 783)	(21 061)	(23 929)	(27 220)
NET CASH FROM/(USED) FINANCING ACTIVITI	**85 027**	**109 489**	**28 482**	**36 973**	**33 204**	**33 204**	**27 163**	**22 787**	**19 553**
NET INCREASE/ (DECREASE) IN CASH HELD	**40 380**	**56 696**	**(42 552)**	**(7 112)**	**259**	**259**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the year begin:	**29 623**	**70 004**	**126 699**	**91 518**	**84 147**	**84 147**	**84 406**	**88 050**	**93 014**
Cash/cash equivalents at the year end:	**70 004**	**126 699**	**84 147**	**84 406**	**84 406**	**84 406**	**88 050**	**93 014**	**96 452**

The above table shows that cash and cash equivalents of the Municipality increases between the 2010/11 and 2013/2014 financial year. For the 2014/15 MTREF the budget has been prepared to ensure sustained levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R88 million by 2014/15 and steadily increasing to R96 million by 2016/17.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded' It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance capital. No meaningful growth in cash has occurred. The working capital has to be optimally managed.

Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Other current investments > 90 days	0	0	–	–	–	–	–	–	–
Non current assets - Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Cash and investments available:	**71 265**	**132 391**	**95 744**	**100 786**	**100 786**	**100 786**	**110 257**	**120 839**	**129 960**
Application of cash and investments									
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
Unspent borrowing	–	18 255	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(7 780)	(28 049)	(20 695)	(25 504)	(40 374)	(40 374)	(40 803)	(30 246)	(51 267)
Other provisions									
Long term investments committed	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Reserves to be backed by cash/investments									
Total Application of cash and investments:	**3 437**	**453**	**(1 315)**	**(9 124)**	**(23 994)**	**(23 994)**	**(18 596)**	**(2 421)**	**(17 759)**
Surplus(shortfall)	**67 829**	**131 938**	**97 059**	**109 910**	**124 780**	**124 780**	**128 853**	**123 260**	**147 718**

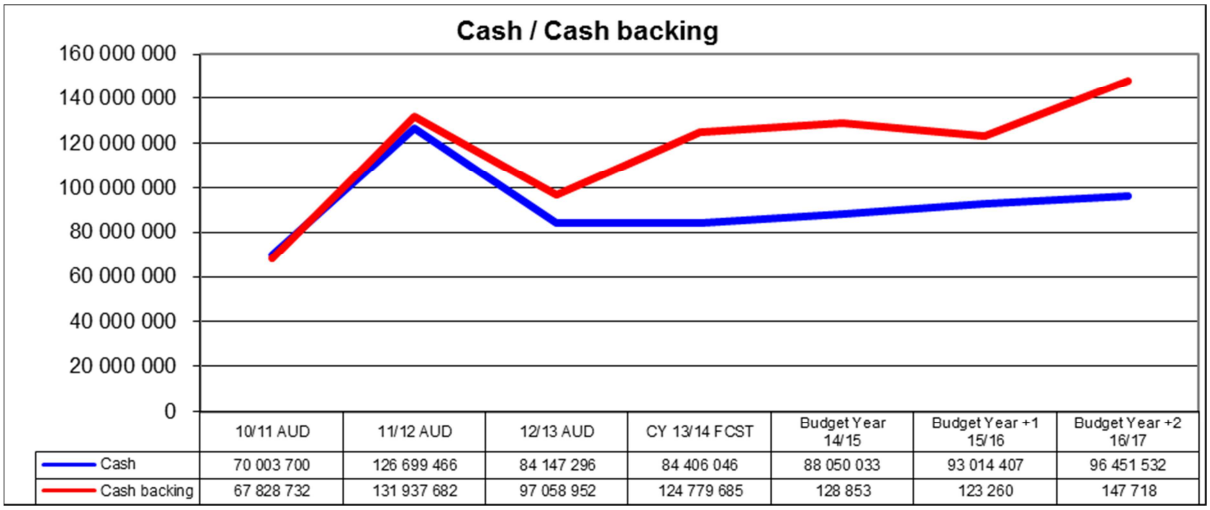
From the above table it can be seen that the cash and investments total R124 million in the 2013/2014 financial year and increase to R128 million by 2014/15, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. Stringent measures have been implemented by NT regarding unspent grants.
- No unspent borrowing from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular project.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation, at least one month's operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the Municipality has a surplus of R134 million against the cash backed and accumulated surpluses reconciliation. When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2014/2015 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Cash	70 003 700	126 699 466	84 147 296	84 406 046	88 050 033	93 014 407	96 451 532
Cash backing	67 828 732	131 937 682	97 058 952	124 779 685	128 853	123 260	147 718

Figure 11 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Cash + investments at the yr end less applications - R'000	18(1)b	67 829	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Cash year end/monthly employee/supplier payments	18(1)b	2.0	3.1	1.8	1.7	1.6	1.6	1.6	1.6	1.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.6%	1.6%	6.8%	(6.6%)	(6.0%)	2.6%	0.4%	(0.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	69.1%	101.4%	43.0%	69.4%	56.7%	56.7%	64.0%	96.4%	92.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(3.5%)	9.9%	(4.0%)	5.0%	0.0%	0.8%	2.3%	9.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(14.3%)	(33.7%)	(12.6%)	0.0%	0.0%	(21.6%)	(21.3%)	(26.5%)
R&M % of Property Plant & Equipment	20(1)(vi)	1.9%	2.1%	3.7%	5.3%	5.0%	5.0%	5.3%	6.1%	6.5%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	2.9%	35.6%	38.5%	38.5%	28.8%	39.9%	37.7%
Total Operating Revenue		607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Total Operating Expenditure		643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Operating Performance Surplus/(Deficit)		(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Cash and Cash Equivalents (30 June 2012)								88 050		
Revenue										
% Increase in Total Operating Revenue			(1.6%)	16.3%	6.8%	0.1%	0.0%	5.5%	9.0%	6.6%
% Increase in Property Rates Revenue			(15.4%)	6.8%	9.1%	0.0%	0.0%	17.1%	6.3%	4.7%
% Increase in Electricity Revenue			22.6%	10.0%	15.1%	0.0%	0.0%	8.8%	7.4%	5.0%
% Increase in Property Rates & Services Charges			8.6%	7.6%	12.8%	(0.6%)	0.0%	8.6%	6.4%	5.2%
Expenditure										
% Increase in Total Operating Expenditure			15.4%	0.6%	10.3%	0.5%	0.0%	5.0%	9.4%	6.5%
% Increase in Employee Costs			11.0%	11.3%	8.3%	0.6%	0.0%	10.9%	6.5%	6.7%
% Increase in Electricity Bulk Purchases			24.6%	14.5%	8.2%	0.0%	0.0%	8.0%	8.0%	8.0%
R&M % of PPE		1.9%	2.1%	3.7%	5.3%	5.0%	5.0%	5.3%	6.1%	6.5%
Asset Renewal and R&M as a % of PPE		2.0%	2.0%	4.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
Debt Impairment % of Total Billable Revenue		1.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue										
Internally Funded & Other (R'000)		43 383	34 478	22 412	14 008	17 022	17 022	15 564	1 675	3 730
Borrowing (R'000)		86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Grant Funding and Other (R'000)		23 791	54 833	53 809	36 028	36 034	36 034	35 234	39 487	31 388
Internally Generated funds % of Non Grant Funding		33.3%	31.8%	24.9%	19.0%	18.8%	18.8%	24.9%	3.6%	7.7%
Borrowing % of Non Grant Funding		66.7%	68.2%	75.1%	81.0%	81.2%	81.2%	75.1%	96.4%	92.3%
Grant Funding % of Total Funding		15.4%	33.6%	37.4%	32.8%	28.5%	28.5%	36.1%	45.8%	39.2%
Capital Expenditure										
Total Capital Programme (R'000)		154 117	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Asset Renewal		–	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	2.9%	35.6%	38.5%	38.5%	28.8%	39.9%	37.7%
Cash										
Cash Receipts % of Rate Payer & Other		98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0
Borrowing										
Credit Rating (2009/10)										
Capital Charges to Operating		4.5%	6.2%	6.8%	7.3%	7.7%	7.7%	7.6%	7.5%	7.6%
Borrowing Receipts % of Capital Expenditure		69.1%	101.4%	43.0%	69.4%	56.7%	56.7%	64.0%	96.4%	92.3%
Reserves										
Surplus/(Deficit)		67 829	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Free Services										
Free Basic Services as a % of Equitable Share		109.8%	92.0%	87.2%	87.8%	94.8%	94.8%	82.0%	69.1%	64.1%
Free Services as a % of Operating Revenue (excl operational transfers)		10.6%	8.8%	5.7%	7.8%	10.0%	10.0%	9.6%	9.3%	9.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue		607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Total Operating Expenditure		643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Surplus/(Deficit) Budgeted Operating Statement		(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Surplus/(Deficit) Considering Reserves and Cash Backing		31 917	(13 105)	45 150	28 392	39 753	39 753	43 739	27 216	46 738
MTREF Funded (1) / Unfunded (0)		1	0	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded û		✓	×	✓	✓	✓	✓	✓	✓	✓

2.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R88 million, R93 million and R96 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 65. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio is at 1.5 for the 2014/2015 MTREF.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. The issue relating to depreciation has been discussed at length elsewhere in this report. This indicator cannot be measured as depreciation offset do not form part of the GRAP reporting framework. It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 6 per cent). Refer to Annexure B for Tariff List and Increases.

Cash receipts as a percentage of ratepayer and other revenue
This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 98.7, 100.2 and 98.5 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been accurately determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.6 Debt impairment expense as a percentage of billable revenue
Overstrand Municipality did not provide for Debt impairment under the Financial performance as the methodology for determining the provision for debt impairment will result in a decrease in the provision. The provision is set to decrease.

2.6.4.7 Capital payments percentage of capital expenditure
The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to ensure strict compliance with the legislative requirement that creditors be paid within 30 days.

2.6.4.8 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)
The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 75, 96 and 90 per cent of own funded capital.

Transfers/grants revenue as a percentage of Government transfers/grants available
The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.4.9 Consumer debtors change (Current and Non-current)
The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.4.10 Repairs and maintenance expenditure level
This measure must be considered within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 84.

2.6.4.11 Asset renewal/rehabilitation expenditure level
This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 55 MBRR SA34b on page 83.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**1 750**	**2 817**	**2 810**	**3 434**	**3 084**	**3 084**	**2 652**	**2 466**	**2 719**
Local Government Equitable Share									
Finance Management		1 250	698	1 300	1 300	1 300	884	1 500	1 700
Municipal Systems Improvement	1 000	790	780	890	540	540	–	966	1 019
EPWP Incentive	750	777	1 332	1 244	1 244	1 244	1 768		
Provincial Government:	**29 707**	**4 032**	**2 722**	**23 601**	**25 271**	**25 271**	**3 734**	**17 372**	**25 163**
Housing	28 845	3 186	1 659	20 045	19 845	19 845	183	10 702	21 264
Emergency Housing Programme (EHP)					200	200	220	242	266
Provincial Library Grant	608	640	691	805	795	795	3 182	6 373	3 575
Finanicial Management Support Grant					800	800			
Greenest Municipality					50	50			
Community Development Worker Grant	100	78	70		49	49	52	55	58
Main Road Subsidy	40	65	65	2 651	3 314	3 314	97		
Sport & Recreation Grant				100					
Housing consumer education/ Thusong Service	114	63	237		218	218			
Other grant providers:	**14 187**	**–**	**2**	**–**	**300**	**300**	**–**	**–**	**–**
ACIP	13 250								
Prov Govt. Nelson Mandela Commemoration					100	100			
Public Contr. KCIH					200	200			
Mobility Strategy/National lotto/DWAF/etc	937	–	2						
Total operating expenditure of Transfers and G	**45 644**	**6 849**	**5 534**	**27 035**	**28 655**	**28 655**	**6 386**	**19 838**	**27 882**
Capital expenditure of Transfers and Grants									
National Government:	**17 243**	**54 183**	**36 911**	**25 725**	**22 105**	**22 105**	**24 174**	**23 587**	**24 388**
Municipal Infrastructure Grant (MIG)	6 631	13 971	16 947	18 755	18 755	18 755	20 674	21 587	22 388
Public Transport and Systems									
Municipal Infrastructure Grant (MIG)		36 212	15 174						
Neighbourhood Development Partnership	6 973	2 000	2 418	3 970					
Municipal Systems Improvement					350	350	566		
Finance Management							934		
INEP	3 639	2 000	2 372	3 000	3 000	3 000	2 000	2 000	2 000
Provincial Government:	**6 837**	**–**	**16 675**	**13 662**	**13 742**	**13 742**	**10 060**	**15 900**	**7 000**
Housing/ABS/CDW/Library	6 837	–	16 675	11 180	11 150	11 150	7 810	15 900	7 000
Sport & Recreation Grant					100	100	100		
Provincial Library Grant					10	10	2 150		
Mobility strategy (pound)/ Walkways	19	650	223	2 482	2 482	2 482			
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**2 134**	**–**	**–**
DWA ACIP							1 000		
Spaces 4 Sport							51		
Eskom Rebate/National Lotto							1 083		
Total capital expenditure of Transfers and Gran	**24 080**	**54 183**	**53 586**	**39 387**	**35 847**	**35 847**	**36 368**	**39 487**	**31 388**
TOTAL EXPENDITURE OF TRANSFERS AND GI	**69 724**	**61 032**	**59 120**	**66 422**	**64 502**	**64 502**	**42 754**	**59 325**	**59 270**

Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

WC032 Overstrand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–					
Current year receipts	28 670	33 973	38 956	44 783	45 383	45 383	54 673	66 665	74 746
Conditions met - transferred to revenue	**28 670**	**33 973**	**38 956**	**44 783**	**45 383**	**45 383**	**54 673**	**66 665**	**74 746**
Conditions still to be met - transferred to liabilities	–	–	–						
Provincial Government:									
Balance unspent at beginning of the year	205	129	66						
Current year receipts	29 639	3 969	2 705	23 601	24 718	24 718	3 734	17 372	25 163
Conditions met - transferred to revenue	**29 714**	**4 032**	**2 724**	**23 601**	**24 718**	**24 718**	**3 734**	**17 372**	**25 163**
Conditions still to be met - transferred to liabilities	129	66	47						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	**58 384**	**38 005**	**41 680**	**68 384**	**70 101**	**70 101**	**58 407**	**84 037**	**99 909**
Total operating transfers and grants - CTBM	**129**	**66**	**47**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–					
Current year receipts	14 575	40 212	19 964	26 325	25 718	25 718	24 174	23 587	24 388
Conditions met - transferred to revenue	**10 612**	**40 212**	**19 964**	**22 365**	**29 363**	**29 363**	**24 174**	**23 587**	**24 388**
Conditions still to be met - transferred to liabilities	3 963	–	–	3 960	(3 645)	(3 645)			
Provincial Government:									
Balance unspent at beginning of the year	–	981	3 750	6 991					
Current year receipts	14 160	17 390	37 162	6 671	6 671	6 671	10 060	15 900	7 000
Conditions met - transferred to revenue	**13 179**	**14 621**	**33 845**	**13 662**	**6 671**	**6 671**	**10 060**	**15 900**	**7 000**
Conditions still to be met - transferred to liabilities	981	3 750	7 067						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts							2 134		
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**2 134**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	**23 791**	**54 833**	**53 809**	**36 028**	**36 034**	**36 034**	**36 368**	**39 487**	**31 388**
Total capital transfers and grants - CTBM	**4 944**	**3 750**	**7 067**	**3 960**	**(3 645)**	**(3 645)**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**82 176**	**92 838**	**95 489**	**104 412**	**106 135**	**106 135**	**94 775**	**123 524**	**131 297**
TOTAL TRANSFERS AND GRANTS - CTBM	**5 073**	**3 816**	**7 114**	**3 960**	**(3 645)**	**(3 645)**	**–**	**–**	**–**

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 840	6 717	7 084	7 197	7 456	7 456	7 968	8 525	9 122
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance									
Cellphone Allowance				380	522	522	548	583	621
Housing Allowances									
Other benefits and allowances									
Sub Total - Councillors	**4 840**	**6 717**	**7 084**	**7 577**	**7 978**	**7 978**	**8 516**	**9 109**	**9 744**
% increase		**38.8%**	**5.5%**	**7.0%**	**5.3%**	**–**	**6.7%**	**7.0%**	**7.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	7 194	7 082	8 185	8 657	8 647	8 647	9 190	9 814	10 481
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance	126	128	139	146	146	146	163	173	183
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	**7 320**	**7 210**	**8 324**	**8 803**	**8 793**	**8 793**	**9 354**	**9 987**	**10 664**
% increase		**(1.5%)**	**15.5%**	**5.7%**	**(0.1%)**	**–**	**6.4%**	**6.8%**	**6.8%**
Other Municipal Staff									
Basic Salaries and Wages	106 593	116 931	132 897	146 098	156 684	156 684	175 220	187 760	200 647
Pension and UIF Contributions	26 519	21 014	23 993	27 080	27 758	27 758	29 321	31 171	33 197
Medical Aid Contributions	7 007	7 354	8 176	11 179	11 355	11 355	11 463	12 432	13 615
Overtime	10 485	12 030	12 423	12 233	11 146	11 146	13 913	14 859	15 819
Performance Bonus	8 028	9 483	10 823	12 011					
Motor Vehicle Allowance	7 026	8 240	9 178	10 714	10 870	10 870	11 760	11 783	12 033
Cellphone Allowance		725	1 924	1 356	1 367	1 367	1 474	1 526	1 609
Housing Allowances	968	1 023	1 046	945	951	951	1 018	978	977
Other benefits and allowances	13 387	10 461	11 256	9 082	9 118	9 118	11 118	11 512	12 278
Payments in lieu of leave				900	2 246	2 246	2 350	2 491	2 640
Long service awards			690	813	831	831	1 200	1 211	1 598
Post-retirement benefit obligations		13 467	10 795	9 630	11 335	11 335	11 875	12 588	13 343
Sub Total - Other Municipal Staff	**180 013**	**200 729**	**223 203**	**242 039**	**243 661**	**243 661**	**270 713**	**288 310**	**307 757**
% increase		**11.5%**	**11.2%**	**8.4%**	**0.7%**	**–**	**11.1%**	**6.5%**	**6.7%**
Total Parent Municipality	**192 173**	**214 656**	**238 611**	**258 419**	**260 431**	**260 431**	**288 582**	**307 406**	**328 164**
		11.7%	**11.2%**	**8.3%**	**0.8%**	**–**	**10.8%**	**6.5%**	**6.8%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**192 173**	**214 656**	**238 611**	**258 419**	**260 431**	**260 431**	**288 582**	**307 406**	**328 164**
% increase		**11.7%**	**11.2%**	**8.3%**	**0.8%**	**–**	**10.8%**	**6.5%**	**6.8%**
TOTAL MANAGERS AND STAFF	**187 333**	**207 939**	**231 527**	**250 842**	**252 453**	**252 453**	**280 066**	**298 298**	**318 421**

Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors							
Speaker	1	579 418		21 912			601 330
Chief Whip							–
Executive Mayor	1	724 246		21 912			746 158
Deputy Executive Mayor	1	579 418		21 912			601 330
Executive Committee	4	2 172 836		87 648			2 260 484
Total for all other councillors	18	3 911 814		394 416			4 306 230
Total Councillors	**25**	**7 967 732**	**–**	**547 800**			**8 515 532**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 659 212		23 311			1 682 523
Chief Finance Officer	1	1 524 238		23 311			1 547 549
Management Services	1	1 145 643		23 311			1 168 954
Community Services	1	1 261 170		23 310			1 284 480
Infrastructure & Planning	1	1 531 997		23 311			1 555 308
LED	1	1 052 560		23 311			1 075 871
Protection Services	1	1 015 527		23 311			1 038 838
Total Senior Managers of the Municipality	**7**	**9 190 347**	**–**	**163 176**	**–**		**9 353 523**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**32**	**17 158 079**	**–**	**710 976**	**–**		**17 869 055**

Table 47 MBRR SA24 – Summary of personnel numbers

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	7	7		7	7		7	7	
Other Managers	56	50		57	49		57	49	
Professionals	*53*	*51*	–	*53*	*52*	–	*54*	*52*	–
Finance	22	21		22	21		22	21	
Spatial/town planning	8	7		8	8		9	8	
Information Technology									
Roads	8	8		8	8		8	8	
Electricity	5	5		5	5		5	5	
Water	4	4		4	4		4	4	
Sanitation	3	3		3	3		3	3	
Refuse	3	3		3	3		3	3	
Other									
Technicians	*213*	*184*	–	*213*	*203*	–	*213*	*203*	–
Finance									
Spatial/town planning	6	6		6	6		6	6	
Information Technology	3	3		3	3		3	3	
Roads	3	2		3	2		3	2	
Electricity	22	17		22	18		22	18	
Water	4	2		4	2		4	2	
Sanitation	6	3		6	4		6	4	
Refuse	3	3		3	3		3	3	
Other	166	148		166	165		166	165	
Clerks (Clerical and administrative)	187	176		189	177		189	177	
Service and sales workers	54	52		54	51		54	51	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	26		42	23		42	23	
Elementary Occupations	487	471		487	474		487	474	
TOTAL PERSONNEL NUMBERS	**1 124**	**1 024**	**–**	**1 127**	**1 043**	**–**	**1 128**	**1 043**	**–**
% increase				0.3%	1.9%	–	0.1%	–	–
Total municipal employees headcount	**1 099**	**1 031**		**1 102**	**1 036**		**1 102**	**1 036**	
Finance personnel headcount	**126**	**117**		**126**	**116**		**126**	**11**	
Human Resources personnel headcount	**17**	**15**		**19**	**18**		**19**	**18**	

2.9 Monthly targets for revenue, expenditure and cash flow

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	14 269	12 174	12 159	12 263	12 164	12 263	12 211	12 307	12 223	12 428	12 173	12 006	148 640	158 025	165 498
Property rates - penalties & collection charges	81	99	93	79	80	78	78	79	78	76	73	155	1 050	1 103	1 158
Service charges - electricity revenue	30 670	29 815	27 877	25 232	24 179	24 160	21 249	18 683	24 652	26 355	27 433	29 782	310 085	333 146	349 869
Service charges - water revenue	6 589	5 524	6 593	6 613	8 606	9 583	11 699	9 198	9 063	8 593	6 703	7 131	95 897	99 943	105 503
Service charges - sanitation revenue	4 432	4 370	4 758	4 609	5 073	5 705	7 064	5 544	5 838	5 072	5 039	5 952	63 455	66 997	70 759
Service charges - refuse revenue	4 742	4 660	4 714	4 736	4 748	4 737	4 521	4 697	4 701	4 711	4 685	4 480	56 130	59 500	63 074
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	667	494	445	514	1 052	923	667	473	665	343	277	1 446	7 966	8 739	9 615
Interest earned - external investments	562	521	577	610	581	586	466	540	425	543	605	152	6 166	6 210	6 255
Interest earned - outstanding debtors	193	213	196	197	177	188	191	197	191	191	188	166	2 288	2 234	2 322
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	498	431	588	498	415	930	623	991	636	873	607	876	7 965	7 378	7 817
Licences and permits	185	205	143	168	160	145	217	205	165	196	203	238	2 229	2 447	2 686
Agency services	174	164	142	205	212	181	228	172	170	198	200	433	2 480	2 727	3 000
Transfers recognised - operational	13 386	112	239	91	243	17 444	344	2 233	8 542	8 055	849	6 869	58 407	84 037	99 909
Other revenue	1 679	1 202	1 406	2 458	2 108	1 850	1 453	1 248	1 582	1 868	1 727	3 135	21 717	22 855	24 404
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and	**78 126**	**59 983**	**59 931**	**58 272**	**59 798**	**78 772**	**61 012**	**56 568**	**68 931**	**69 502**	**60 760**	**72 821**	**784 474**	**855 339**	**911 867**
Expenditure By Type															
Employee related costs	18 644	19 624	19 996	19 446	30 484	29 524	23 313	24 613	21 744	25 434	20 170	27 073	280 066	298 298	318 421
Remuneration of councillors	709	709	709	709	709	709	709	709	709	709	709	717	8 516	9 109	9 744
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	9 591	9 591	9 591	9 591	9 591	9 591	9 521	9 521	9 583	9 583	9 583	3 928	109 265	111 199	112 750
Finance charges	141	–	–	4 907	–	9 478	–	–	121	8 128	–	22 387	45 162	47 472	49 508
Bulk purchases	2 709	20 776	21 093	9 127	10 994	18 036	13 741	12 741	15 160	18 121	13 346	13 599	169 444	183 000	197 640
Other materials	1 512	1 961	1 108	1 474	1 706	1 557	1 059	1 059	942	1 044	1 480	2 393	17 295	20 201	19 151
Contracted services	829	5 309	3 140	5 613	4 605	3 937	4 823	6 823	8 075	18 059	10 840	9 010	81 062	95 248	100 837
Transfers and grants	3 443	3 522	3 505	3 406	3 331	3 690	1 388	1 388	2 914	2 934	2 923	8 927	41 370	44 065	46 708
Other expenditure	5 968	8 542	9 156	10 456	12 240	10 117	18 537	9 683	6 465	9 681	7 778	8 785	117 407	142 792	158 088
Loss on disposal of PPE												–	–	–	–
Total Expenditure	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**34 579**	**(10 052)**	**(8 368)**	**(6 457)**	**(13 863)**	**(7 868)**	**(12 079)**	**(9 969)**	**3 218**	**(24 192)**	**(6 068)**	**(23 997)**	**(85 115)**	**(96 044)**	**(100 980)**
Transfers recognised - capital		2 024	1 533	3 009	4 632	7 264	3 553	472	1 671	4 683	2 084	3 306	34 234	39 487	31 388
Contributions recognised - capital	51					500						1 583	2 134	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**34 630**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 107)**	**(48 747)**	**(56 557)**	**(69 592)**
Surplus/(Deficit)	**34 630**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 107)**	**(48 747)**	**(56 557)**	**(69 592)**

Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote															
Vote 1 - Council	18 713	27	22	399	45	15 394	27	25	13 377	4 946	29	(605)	52 401	65 565	73 466
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	115	46	8	212	65	9	113	39	36	111	60	1 596	2 410	961	961
Vote 4 - Finance	18 026	15 549	15 705	15 844	15 531	15 551	15 601	7 380	12 747	13 212	13 251	10 697	169 095	179 861	188 464
Vote 5 - Community Services	14 878	24 080	19 067	17 660	7 846	24 652	23 583	19 806	21 074	26 037	22 343	40 796	261 822	293 836	307 536
Vote 6 - Local Economic Development	24	318	218	340	34	524	121	65	80	500	250	494	2 968	1 200	1 200
Vote 7 - Infrastructure & Planning	25 528	21 259	25 861	25 867	39 959	29 633	23 892	28 334	22 157	27 988	25 737	22 747	318 962	340 309	357 549
Vote 8 - Protection Services	842	726	584	959	950	772	1 227	1 390	1 131	1 391	1 174	2 037	13 184	13 093	14 079
Total Revenue by Vote	**78 126**	**62 006**	**61 464**	**61 282**	**64 430**	**86 536**	**64 565**	**57 040**	**70 602**	**74 185**	**62 844**	**77 761**	**820 842**	**894 826**	**943 255**
Expenditure by Vote to be appropriated															
Vote 1 - Council	4 345	4 454	4 424	4 681	5 462	5 967	4 465	3 104	4 589	5 387	4 010	12 401	63 289	67 543	71 596
Vote 2 - Municipal Manager	48	25	49	88	62	129	132	74	55	163	67	111	1 003	1 001	1 070
Vote 3 - Management Services	1 357	1 479	1 468	755	951	1 515	803	1 074	1 373	202	918	3 295	15 189	16 243	17 335
Vote 4 - Finance	2 862	1 404	3 678	3 655	3 193	3 012	2 253	1 795	856	1 340	1 273	(819)	24 503	32 830	30 544
Vote 5 - Community Services	10 879	29 000	22 858	27 872	34 665	49 467	36 975	35 596	23 471	45 143	34 896	35 863	386 685	444 986	477 881
Vote 6 - Local Economic Development	382	798	622	502	649	519	687	662	1 729	763	1 115	2 710	11 140	10 714	11 334
Vote 7 - Infrastructure & Planning	21 282	29 714	31 803	23 400	24 372	22 883	23 248	20 270	29 726	35 362	20 978	35 571	318 607	325 210	347 058
Vote 8 - Protection Services	2 391	3 161	3 396	3 775	4 307	3 148	4 529	3 961	3 915	5 334	3 571	7 685	49 173	52 855	56 029
Total Expenditure by Vote	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) before assoc.	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**
Surplus/(Deficit)	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**

Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	**37 247**	**15 889**	**16 109**	**17 212**	**16 411**	**26 031**	**16 398**	**7 900**	**24 378**	**19 016**	**13 824**	**20 656**	**231 071**	**253 526**	**267 382**
Executive and council	18 697	31	25	404	45	10 053	29	60	11 240	4 943	30	6 886	52 442	65 606	73 507
Budget and treasury office	18 026	15 549	15 705	15 844	15 531	15 551	15 601	7 380	12 747	13 212	13 251	10 697	169 095	179 861	188 464
Corporate services	523	309	379	965	835	427	768	459	391	862	543	3 072	9 534	8 059	5 412
Community and public safety	**2 480**	**1 628**	**1 280**	**2 855**	**2 142**	**3 196**	**2 574**	**3 621**	**3 080**	**3 046**	**3 162**	**4 663**	**33 726**	**53 804**	**64 234**
Community and social services	222	218	173	184	165	150	138	70	336	195	401	151	2 402	3 600	6 766
Sport and recreation	261	295	283	353	801	781	553	871	344	505	480	4 038	9 565	9 867	14 419
Public safety	842	726	584	959	950	772	1 227	1 390	1 131	1 391	1 174	2 037	13 184	13 093	14 079
Housing	1 155	390	240	1 359	226	1 492	656	1 290	1 269	954	1 107	(1 562)	8 576	27 243	28 969
Health												–	–	–	–
Economic and environmental services	**255**	**1 008**	**871**	**1 341**	**277**	**1 508**	**510**	**1 064**	**706**	**1 335**	**1 408**	**3 655**	**13 939**	**7 721**	**9 314**
Planning and development	238	664	510	764	252	1 224	376	291	489	694	466	2 497	8 465	6 037	6 520
Road transport	9	339	356	572	20	265	125	754	217	641	942	1 158	5 397	1 600	2 700
Environmental protection	8	5	5	5	5	18	9	19	0	0	0	(0)	76	84	93
Trading services	**38 144**	**43 480**	**43 204**	**39 873**	**45 600**	**55 801**	**45 084**	**44 456**	**42 437**	**50 788**	**44 450**	**48 787**	**542 106**	**579 775**	**602 325**
Electricity	22 182	26 237	26 107	19 702	21 841	31 589	22 079	30 979	23 531	32 157	27 581	29 403	313 388	335 388	352 135
Water	6 682	7 836	7 300	9 255	12 549	11 531	11 712	1 075	8 100	7 721	6 691	6 420	96 872	106 070	111 585
Waste water management	4 837	5 053	5 383	6 478	6 575	8 191	7 075	8 009	6 413	6 496	5 801	1 844	72 155	77 967	75 459
Waste management	4 443	4 354	4 415	4 437	4 635	4 490	4 218	4 393	4 394	4 414	4 377	11 120	59 691	60 350	63 146
Other												–	–	–	–
Total Revenue - Standard	**78 126**	**62 006**	**61 464**	**61 282**	**64 430**	**86 536**	**64 565**	**57 040**	**70 602**	**74 185**	**62 844**	**77 761**	**820 842**	**894 826**	**943 255**
Expenditure - Standard															
Governance and administration	**7 515**	**8 246**	**9 530**	**10 444**	**11 968**	**15 526**	**7 725**	**7 262**	**7 466**	**17 457**	**8 622**	**15 606**	**127 368**	**146 825**	**150 731**
Executive and council	4 281	4 597	4 683	4 922	6 078	11 179	4 869	3 509	5 351	6 324	4 914	6 161	66 867	75 471	79 697
Budget and treasury office	2 862	1 404	3 678	3 655	3 193	3 012	2 253	1 795	856	1 340	1 273	(819)	24 503	32 830	30 544
Corporate services	372	2 244	1 170	1 867	2 698	1 336	603	1 958	1 259	9 793	2 435	10 264	35 998	38 524	40 490
Community and public safety	**5 864**	**7 391**	**7 517**	**8 373**	**10 189**	**8 012**	**8 232**	**11 373**	**7 974**	**17 085**	**7 617**	**13 908**	**113 536**	**130 898**	**149 270**
Community and social services	2 093	2 481	2 417	2 646	3 686	2 508	1 254	5 366	2 273	2 718	2 417	2 703	32 563	34 346	36 685
Sport and recreation	1 297	1 608	1 612	1 768	2 008	2 245	2 348	1 852	1 683	1 902	1 519	2 402	22 245	23 223	24 926
Public safety	2 391	3 161	3 396	3 775	4 307	3 148	4 529	3 961	3 915	5 334	3 571	7 685	49 173	52 855	56 029
Housing	83	141	91	183	188	111	101	193	103	7 131	110	1 118	9 554	20 473	31 629
Health												–	–	–	–
Economic and environmental services	**7 334**	**8 575**	**9 635**	**10 746**	**11 284**	**10 778**	**11 787**	**9 835**	**15 925**	**17 457**	**15 676**	**10 482**	**139 514**	**147 044**	**153 028**
Planning and development	1 574	2 340	3 037	2 540	3 917	2 765	2 165	2 763	8 636	3 052	2 889	1 634	37 314	38 607	40 998
Road transport	5 422	5 893	6 217	7 857	6 632	7 503	9 153	6 586	6 778	14 009	12 169	6 948	95 166	101 024	104 103
Environmental protection	339	342	381	349	735	510	469	486	510	396	619	1 900	7 035	7 412	7 927
Trading services	**22 834**	**45 823**	**41 616**	**35 166**	**40 219**	**52 323**	**45 346**	**38 067**	**34 348**	**41 694**	**34 913**	**56 821**	**489 171**	**526 617**	**559 817**
Electricity	11 755	32 073	27 478	18 396	22 447	31 452	30 739	23 865	20 201	22 152	19 887	11 942	272 386	276 444	295 533
Water	4 615	5 482	5 597	7 790	6 741	9 251	6 461	6 035	6 033	9 032	5 818	20 302	93 157	114 171	118 828
Waste water management	3 717	4 404	4 414	5 026	5 509	7 264	3 201	4 436	3 934	5 166	4 901	15 166	67 138	74 952	79 130
Waste management	2 746	3 863	4 128	3 955	5 522	4 356	4 945	3 732	4 180	5 345	4 307	9 411	56 489	61 050	66 326
Other												–	–	–	–
Total Expenditure - Standard	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**

Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services			100		750							1 698	2 548	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services	6 550	7 200	6 800	7 400	3 099	3 980	3 750	4 774	4 280	4 905	2 700	21 500	76 938	66 662	57 618
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning	1 074	339	161	593	536	3 518	3 854	1 712	2 014	2 838	1 473	124	18 235	19 500	22 500
Vote 8 - Protection Services												–	–	–	–
Capital multi-year expenditure sub-total	**7 624**	**7 539**	**7 061**	**7 993**	**4 385**	**7 498**	**7 604**	**6 486**	**6 294**	**7 743**	**4 173**	**23 322**	**97 721**	**86 162**	**80 118**
Single-year expenditure to be appropriated															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services												–	–	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services												–	–	–	–
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning												–	–	–	–
Vote 8 - Protection Services												–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure	**7 624**	**7 539**	**7 061**	**7 993**	**4 385**	**7 498**	**7 604**	**6 486**	**6 294**	**7 743**	**4 173**	**23 322**	**97 721**	**86 162**	**80 118**

Table 52 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
Governance and administration	**330**	**140**	**250**	**1 150**	**1 000**	**2 650**	**100**	**285**	**900**	**300**	**900**	**8 811**	**16 815**	**2 675**	**7 730**
Executive and council												–	–	–	–
Budget and treasury office												–	–	–	–
Corporate services	330	140	250	1 150	1 000	2 650	100	285	900	300	900	8 811	16 815	2 675	7 730
Community and public safety	**3 800**	**3 750**	**2 200**	**2 750**	**49**	**1 080**	**450**	**674**	**1 080**	**355**	**–**	**5 017**	**21 205**	**18 839**	**13 800**
Community and social services		500	200	750		355	450	200	1 080	355		1 745	5 635	–	–
Sport and recreation	500	500	500	500								1 090	3 090	2 939	6 800
Public safety												–	–	–	–
Housing	3 300	2 750	1 500	1 500	49	725		474				2 182	12 480	15 900	7 000
Health												–	–	–	–
Economic and environmental services	**1 000**	**1 200**	**1 550**	**1 350**	**–**	**–**	**–**	**–**	**–**	**150**	**–**	**150**	**5 400**	**4 900**	**4 000**
Planning and development												–	–	–	–
Road transport	1 000	1 200	1 550	1 350						150		150	5 400	4 900	4 000
Environmental protection												–	–	–	–
Trading services	**2 594**	**2 449**	**3 061**	**3 743**	**3 336**	**5 768**	**7 054**	**5 527**	**4 914**	**6 938**	**3 773**	**5 144**	**54 300**	**59 748**	**54 588**
Electricity	844	199	11	443	286	2 868	3 754	1 427	1 714	2 538	1 073	1 844	17 000	18 500	18 500
Water	1 000	1 100	1 200	1 200	800	600	1 300	1 300	1 300	1 400	1 400	200	12 800	26 594	26 488
Waste water management	650	1 050	1 450	1 600	1 350	1 000	500	1 200	1 400	1 500	800	1 800	14 300	14 654	9 600
Waste management	100	100	400	500	900	1 300	1 500	1 600	500	1 500	500	1 300	10 200	–	–
Other												–	–	–	–
Total Capital Expenditure - Standard	**7 724**	**7 539**	**7 061**	**8 993**	**4 385**	**9 498**	**7 604**	**6 486**	**6 893**	**7 743**	**4 673**	**19 122**	**97 721**	**86 162**	**80 118**

Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	14 235	12 142	12 127	12 229	12 132	12 231	12 180	12 272	12 192	12 396	12 141	11 977	148 254	157 839	165 416
Property rates - penalties & collection charges	81	99	93	79	80	78	78	79	78	76	73	155	1 050	1 103	1 158
Service charges - electricity revenue	30 596	29 738	27 804	25 163	24 115	24 098	21 194	18 629	24 589	26 288	27 362	29 710	309 285	332 754	349 694
Service charges - water revenue	6 573	5 509	6 576	6 595	8 584	9 559	11 669	9 171	9 040	8 571	6 686	7 114	95 648	99 825	105 450
Service charges - sanitation revenue	4 421	4 359	4 745	4 596	5 060	5 691	7 046	5 528	5 823	5 059	5 025	5 937	63 290	66 918	70 723
Service charges - refuse revenue	4 731	4 648	4 702	4 723	4 735	4 724	4 509	4 683	4 689	4 699	4 672	4 469	55 984	59 430	63 042
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	665	493	444	513	1 049	921	666	472	663	342	276	1 442	7 946	8 729	9 610
Interest earned - external investments	562	521	577	610	581	586	466	540	425	543	605	152	6 166	6 210	6 255
Interest earned - outstanding debtors	193	213	196	197	177	188	191	197	191	191	188	166	2 288	2 234	2 322
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	498	431	588	498	415	930	623	991	636	873	607	876	7 965	7 378	7 817
Licences and permits	185	205	143	168	160	145	217	205	165	196	203	238	2 229	2 447	2 686
Agency services	174	164	142	205	212	181	228	172	170	198	200	433	2 480	2 727	3 000
Transfer receipts - operational	13 386	112	239	91	243	17 444	344	2 233	8 542	8 055	849	6 869	58 407	84 037	99 909
Other revenue	1 762	1 285	1 489	2 541	2 191	1 932	1 536	1 331	1 665	1 951	1 810	3 218	22 712	21 458	15 264
Cash Receipts by Source	**78 062**	**59 919**	**59 866**	**58 208**	**59 733**	**78 708**	**60 948**	**56 504**	**68 866**	**69 438**	**60 696**	**72 757**	**783 704**	**853 087**	**902 344**
Other Cash Flows by Source															
Transfer receipts - capital	–	2 024	1 533	3 009	4 632	7 264	3 553	472	1 671	4 683	2 084	3 306	34 234	39 487	31 388
Contributions recognised - capital & Contributed a	–	–	–	–	–	500	–	–	–	–	–	1 634	2 134	–	–
Proceeds on disposal of PPE												–	–		
Short term loans	–	–	6 482	(83)	(84)	(85)	(86)	(86)	(87)	(88)	(89)	(273)	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	–	–	–	–	–	–	40 000	–	–	–	–	–	40 000	45 000	45 000
Increase (decrease) in consumer deposits	225	225	225	225	225	225	225	225	225	225	225	225	2 703	2 893	3 095
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	39 500
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	15	14	14
Decrease (increase) in non-current investments	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(5 827)	(5 618)	(5 683)
Total Cash Receipts by Source	**77 803**	**61 683**	**67 623**	**60 875**	**64 023**	**86 128**	**104 157**	**56 630**	**70 191**	**73 773**	**62 432**	**77 164**	**862 483**	**933 687**	**1 014 335**
Cash Payments by Type															
Employee related costs	18 325	19 305	19 677	19 127	30 165	29 205	22 994	24 294	21 425	25 114	19 850	26 753	276 233	293 352	313 219
Remuneration of councillors	709	709	709	709	709	709	709	709	709	709	709	717	8 516	9 109	9 744
Finance charges	141	–	–	4 907	–	9 478	–	–	121	8 128	–	22 387	45 162	47 472	49 508
Bulk purchases - Electricity	2 709	20 776	21 093	9 127	10 994	18 036	13 741	12 741	15 160	18 121	13 346	13 599	169 444	183 000	197 640
Bulk purchases - Water & Sewer												–	–		
Other materials	1 512	1 961	1 108	1 474	1 706	1 557	1 059	1 059	942	1 044	1 480	2 393	17 295	20 201	19 151
Contracted services	829	5 309	3 140	5 613	4 605	3 937	4 823	6 823	8 075	18 059	10 840	9 010	81 062	95 248	100 837
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	3 443	3 522	3 505	3 406	3 331	3 690	1 388	1 388	2 914	2 934	2 923	8 927	41 370	44 065	46 708
Other expenditure	4 598	7 173	7 787	9 086	10 870	8 748	17 167	8 314	5 096	8 311	6 408	7 415	100 975	126 184	166 754
Cash Payments by Type	**32 267**	**58 755**	**57 019**	**53 449**	**62 380**	**75 359**	**61 880**	**55 327**	**54 441**	**82 422**	**55 556**	**91 201**	**740 057**	**818 632**	**903 561**
Other Cash Flows/Payments by Type															
Capital assets	7 724	7 539	7 061	8 993	4 385	9 498	7 604	6 486	6 893	7 743	4 673	19 122	97 721	86 162	80 118
Repayment of borrowing	998	–	57	4 408	965	3 588	1 002	–	61	4 698	1 033	4 252	21 061	23 929	27 220
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**40 988**	**66 294**	**64 137**	**66 849**	**67 730**	**88 445**	**70 487**	**61 813**	**61 396**	**94 863**	**61 263**	**114 575**	**858 839**	**928 723**	**1 010 898**
NET INCREASE/(DECREASE) IN CASH HELD	**36 814**	**(4 611)**	**3 486**	**(5 974)**	**(3 707)**	**(2 316)**	**33 670**	**(5 182)**	**8 796**	**(21 089)**	**1 169**	**(37 411)**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the month/year begin:	84 406	121 220	116 609	120 096	114 122	110 414	108 098	141 768	136 586	145 381	124 292	125 461	84 406	88 050	93 014
Cash/cash equivalents at the month/year end:	121 220	116 609	120 096	114 122	110 414	108 098	141 768	136 586	145 381	124 292	125 461	88 050	88 050	93 014	96 452

2.10 Annual budgets and SDBIP

The draft SDBIP was tabled at the Council meeting held on 20 March 2014.

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 70 on page 103. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, the repair and maintenance of assets and finally, the depreciation of assets.

Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**104 389**	**133 045**	**108 252**	**50 904**	**55 858**	**55 858**	**34 500**	**31 248**	**28 388**
Infrastructure - Road transport	20 923	12 754	15 578	9 160	9 360	9 360	800	2 000	1 000
Roads, Pavements & Bridges	15 761	5 477	10 720	9 160	9 160	9 160			
Storm water	5 162	7 278	4 858		200	200	800	2 000	1 000
Infrastructure - Electricity	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Generation									
Transmission & Reticulation	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Street Lighting									
Infrastructure - Water	34 053	57 384	48 634	7 300	8 392	8 392	–	5 094	12 488
Dams & Reservoirs									
Water purification	34 053	57 384	48 634	7 300	8 392	8 392		5 094	12 488
Reticulation									
Infrastructure - Sanitation	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Reticulation									
Sewerage purification	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Waste Management	1 859	196	5 359	1 400	3 041	3 041	10 200		
Transportation									
Gas									
Other									
Community	**17 814**	**6 183**	**20 997**	**13 189**	**13 609**	**13 609**	**18 266**	**17 900**	**13 800**
Parks & gardens			2 156						
Sportsfields & stadia	1 743	5 538	1 964	5 000	5 471	5 471	151	2 000	6 800
Swimming pools									
Community halls									
Libraries			3				2 000		
Recreational facilities									
Fire, safety & emergency									
Security and policing	19	645	223						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	7 118		16 651	5 689	3 366	3 366	12 480	15 900	7 000
Other	8 934		–	2 500	4 772	4 772	3 635		
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**31 796**	**23 118**	**9 038**	**6 638**	**8 358**	**8 358**	**16 815**	**2 675**	**7 730**
General vehicles	2 847	6 800		4 695	4 695	4 695	10 525	1 000	3 000
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	1 629	3 838		600	1 030	1 030	2 548		
Furniture and other office equipment	3 202	148		1 343	2 633	2 633	2 508	675	730
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	24 118	12 332							
Other Land									
Surplus Assets - (Investment or Inventory)			9 038						
Other							1 235	1 000	4 000
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	118	928	1 330	–	–	–	–	–	–
Computers - software & programming	118	928	1 330						
Other (list sub-class)									
Total Capital Expenditure on new assets	**154 117**	**163 275**	**139 617**	**70 731**	**77 825**	**77 825**	**69 581**	**51 823**	**49 918**

Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**–**	**–**	**131**	**32 610**	**38 826**	**38 826**	**25 200**	**33 400**	**30 200**
Infrastructure - Road transport	–	–	131	8 710	7 069	7 069	5 400	4 900	4 000
Roads, Pavements & Bridges				8 710	7 069	7 069	5 400	4 900	4 000
Storm water			131						
Infrastructure - Electricity	–	–	–	13 300	13 344	13 344	3 100	7 000	9 200
Generation									
Transmission & Reticulation				13 300	13 344	13 344	3 100	7 000	9 200
Street Lighting									
Infrastructure - Water	–	–	–	8 600	15 440	15 440	12 800	21 500	14 000
Dams & Reservoirs				200	200	200			
Water purification									
Reticulation				8 400	15 240	15 240	12 800	21 500	14 000
Infrastructure - Sanitation	–	–	–	2 000	2 974	2 974	3 900	–	3 000
Reticulation									
Sewerage purification				2 000	2 974	2 974	3 900		3 000
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Gas									
Other									
Community	**–**	**–**	**756**	**5 716**	**8 992**	**8 992**	**2 939**	**939**	**–**
Parks & gardens									
Sportsfields & stadia				225	225	225	2 939	939	
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries			756						
Social rental housing				5 491	7 784	7 784			
Other					984	984			
Heritage assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**–**	**–**	**3 260**	**–**	**–**	**–**	**–**	**–**	**–**
General vehicles			3 260						
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Agricultural assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
List sub-class									
Biological assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
List sub-class									
Intangibles	**–**	**–**	**–**	839	839	839	**–**	**–**	**–**
Computers - software & programming				839	839	839			
Other (list sub-class)									
Total Capital Expenditure on renewal of existing	**–**	**–**	**4 147**	**39 166**	**48 657**	**48 657**	**28 139**	**34 339**	**30 200**
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*2.9%*	*35.6%*	*38.5%*	*38.5%*	*28.8%*	*39.9%*	*37.7%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*3.9%*	*37.7%*	*47.7%*	*47.7%*	*25.8%*	*30.9%*	*26.8%*

Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**38 271**	**43 120**	**87 048**	**135 022**	**131 381**	**131 381**	**136 752**	**155 760**	**162 666**
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Roads, Pavements & Bridges	25 391	25 231	39 790	58 578	60 122	60 122	62 232	70 792	71 258
Storm water	588	611	2 446	3 907	3 694	3 694	6 308	6 696	7 118
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Generation									
Transmission & Reticulation	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Street Lighting									
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Dams & Reservoirs	3 568	52	80						
Water purification		1 709	1 963						
Reticulation		5 132	19 459	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Reticulation	3 564	3 687	6 623						
Sewerage purification		882	1 085	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Waste Management	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Transportation									
Gas									
Other									
Community	**3 574**	**6 012**	**5 408**	**8 252**	**8 749**	**8 749**	**9 298**	**10 114**	**11 373**
Parks & gardens	993	1 410	1 503	2 568	2 602	2 602	2 819	3 010	3 233
Sportsfields & stadia	399	456	956	1 034	959	959	1 023	1 152	1 221
Swimming pools	312	228	289	303	224	224	302	331	347
Community halls	1 017	734	916	904	1 128	1 128	906	906	975
Libraries	110	180	161	221	235	235	171	197	213
Recreational facilities									
Fire, safety & emergency	641	538	848	841	975	975	1 185	1 291	1 407
Security and policing		524	546	638	630	630	781	859	945
Buses				–					
Clinics				–					
Museums & Art Galleries				–					
Cemeteries	103	37	62	55	51	51	53	57	62
Social rental housing				317	317	317	335	346	350
Other		1 905	125	1 372	1 627	1 627	1 724	1 965	2 622
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**199**	**270**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development	199	270							
Other									
Other assets	**16 195**	**15 443**	**21 958**	**20 086**	**14 666**	**14 666**	**16 218**	**21 086**	**21 989**
General vehicles	4 600	4 682	5 399						
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	4 215	4 309	5 035	5 852	4 737	4 737	6 157	6 490	6 826
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 449	1 023	1 368	1 173	1 133	1 133	1 214	1 299	1 376
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	5 931	5 429	10 156	13 061	8 795	8 795	8 846	13 296	13 787
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
Total Repairs and Maintenance Expenditure	**58 239**	**64 845**	**114 414**	**163 360**	**154 795**	**154 795**	**162 268**	**186 960**	**196 027**
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
R&M as % Operating Expenditure	*9.1%*	*8.7%*	*15.3%*	*19.8%*	*18.7%*	*18.7%*	*18.7%*	*19.7%*	*19.4%*

Table 57 MBRR SA34d – Depreciation by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Depreciation by Asset Class/Sub-class									
Infrastructure	**89 270**	**87 037**	**81 024**	**90 494**	**86 361**	**86 361**	**93 344**	**94 954**	**96 507**
Infrastructure - Road transport	36 975	36 340	29 902	37 311	30 673	30 673	31 514	31 709	32 187
Roads, Pavements & Bridges	34 887	34 105	27 879	37 311	28 652	28 652	29 493	29 688	30 135
Storm water	2 088	2 235	2 023		2 021	2 021	2 021	2 021	2 051
Infrastructure - Electricity	18 645	18 441	18 751	22 284	20 880	20 880	22 789	23 022	23 425
Generation									
Transmission & Reticulation	18 645	18 441	18 751	22 284	20 880	20 880	22 789	23 022	23 425
Street Lighting									
Infrastructure - Water	16 932	16 029	16 106	14 546	17 424	17 424	20 368	21 371	21 745
Dams & Reservoirs	16 932	16 029	16 106	14 546	17 424	17 424	20 368	21 371	21 745
Water purification									
Reticulation									
Infrastructure - Sanitation	13 808	13 422	13 391	12 696	14 127	14 127	15 067	15 245	15 489
Reticulation	13 808	13 422	13 391	12 696	14 127	14 127	15 067	15 245	15 489
Sewerage purification									
Infrastructure - Other	2 909	2 804	2 874	3 657	3 257	3 257	3 607	3 607	3 661
Waste Management	2 189	2 168	2 256	3 657	3 257	3 257	3 607	3 607	3 661
Transportation									
Gas									
Other	720	637	618						
Community	**4 707**	**4 359**	**4 651**	**4 696**	**4 822**	**4 822**	**4 822**	**4 822**	**4 822**
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities	4 707	4 359	4 651	4 696	4 822	4 822	4 822	4 822	4 822
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**12 663**	**12 427**	**19 233**	**8 402**	**10 216**	**10 216**	**10 216**	**10 539**	**10 538**
General vehicles	2 330	2 077	2 360	1 864	2 360	2 360	2 360	2 683	2 682
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	1 145	1 334	1 948	838	1 948	1 948	1 948	1 948	1 948
Furniture and other office equipment	275	244	254	344	254	254	254	254	254
Abattoirs					–				
Markets					–				
Civic Land and Buildings					–				
Other Buildings	5 482	5 660	5 467	5 356	5 654	5 654	5 654	5 654	5 654
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	3 431	3 111	9 204						
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	137	219	373	218	671	671	883	884	883
Computers - software & programming	137	219	373	218	671	671	883	884	883
Other (list sub-class)									
Total Depreciation	**106 777**	**104 041**	**105 280**	**103 810**	**102 070**	**102 070**	**109 265**	**111 199**	**112 750**

Table 58 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 548	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	76 938	66 662	57 618	61 075	64 740	68 624	72 741
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	18 235	19 500	22 500	23 850	25 281	26 798	28 406
Vote 8 - Protection Services	–	–	–				
Total Capital Expenditure	**97 721**	**86 162**	**80 118**	**84 925**	**90 021**	**95 422**	**101 147**

Table 59 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
List all capital projects grouped by Municipal Vote															
300 - INFORMATION & COMMUNICATION TECHNOLOGY									1 274	1 869					
Additional Disc Storage for DR Site (Onrus)	Additional Disc Storage for DR Site (Onrus)		1	Yes	*Other*	*Computers - hardware/equipment*	*34'24'45.16S / 19'10'21.22E*				100			Overstrand	New
RF Network: Hawston Mast	RF Network: Hawston Mast		1	Yes	*Other*	*Computers - hardware/equipment*	*34'23'52.01S / 19'06'38.72E*				250			Overstrand	New
RF Network: Gansbaai Region Mast	RF Network: Gansbaai Region Mast		1	Yes	*Other*	*Computers - hardware/equipment*	*34'36'31.10S / 19'20'16.30E*				250			Overstrand	New
Integrated asset management and maintenance syst	Integrated asset management and maintenance system		1	Yes	*Other*	*Computers - software & programming*	*Overstrand wide*				1 500			Overstrand	New
RF Network: Kleinmond Regional Mast	RF Network: Kleinmond Regional Mast				*Other*	*Computers - hardware/equipment*	*34'20'10.99S / 19'00'46.72E*				250			Overstrand	New
Time and Attendance Devices	Time and Attendance Devices				*Other*	*Computers - software & programming*	*Overstrand wide*				198			Overstrand	New
300 - PROPERTY SERVICES									5 611	2 104					
Extension of Thusong Centre	Extension of Thusong Centre		1	Yes	*Infrastructure - Other*	*Other*	*19°08'03"E34°23'29"S*					1 000	4 000	Ward 08	New
Building of additional court for municipal matters	Building of additional court for municipal matters		1	Yes	*Infrastructure - Other*	*Other*	*19° 14 18" E en 34° 25 03" S*				200			Overstrand	New
MIG PMU Building	MIG PMU Building		1	Yes	*Infrastructure - Other*	*Other*	*19°12'25"E34°24'28"S*				1 035			Ward 03	New
			1												
400 - LIBRARIES															
Kleinmond Library upgrade	Kleinmond Library upgrade		3	Yes	*Community*	*Libraries*	*19° 01' 54 E 34° 20' 25" S*				2 000			Ward 09	New
400 - WARD SPECIFIC PROJECTS										3 652					
Ward Specific Projects - Kleinmond	Ward Specific Projects - Kleinmond		3	Yes	*Community*	*Other*	*19° 01' 54 E 34° 20' 25" S*				600			Ward 09,10	New
Ward Specific Projects - Hermanus	Ward Specific Projects - Hermanus		3	Yes	*Community*	*Other*	*19°12'25"E34°24'28"S*				2 190			Ward 03,04,05,06,0	New
Ward Specific Projects - Gansbaai	Ward Specific Projects - Gansbaai		3	Yes	*Community*	*Other*	*19.349477 -34.607311*				845			Ward 01,02,11	New
500 - SPORT & RECREATION									2 601	5 696					
Overhills:Kleinmond Soccer Field	Overhills:Kleinmond Soccer Field		3	Yes	*Other*	*Sportsfields & stadia*	*19°°00'21"E34°20'08"S*				2 939	939		Ward 09	Renewal
Turf Soccerfield	Turf Soccerfield		3	Yes	*Other*	*Sportsfields & stadia*	*19°13'01"E34°25'56"S*					2 000	2 800	Ward 12	New
Gansbaai Sports Centre (Spaces for sport)	Gansbaai Sports Centre (Spaces for sport)		3	Yes	*Other*	*Sportsfields & stadia*	*19º 22' 55" E34º35'24"S*				51			Ward 01,02	New
Overstrand sport facilities development project	Overstrand sport facilities development project		3	Yes	*Other*	*Sportsfields & stadia*	*34º 22' 58." S 19º07'37.00" E*				100			Overstrand	New
Sport Facilities	Sport Facilities						*Overstrand wide*						4 000	Overstrand	New
700 - HOUSING										11 150					
Hermanus Swartdamweg Institutional -320 SITES	Hermanus Swartdamweg Institutional -320 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.422824 19.218703*				6 786	6 800		Ward 04	New
Zwelihle Garden site -77 SITES	Zwelihle Garden site -77 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.429752 19.209423*					1 400		Ward 06	New
Zwelihle Mandela Square -180 SITES	Zwelihle Mandela Square -180 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.428927 19.209706*					2 600		Ward 06	New
Zwelihle project -Transit camp/Asizani	Zwelihle project -Transit camp/Asizani		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.426228 19.216456*						2 000	Ward 06	New
Mount Pleasant IRDP	Mount Pleasant IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.414663 19.214140*				474	4 100		Ward 04	New
Kleinmond Overhills	Kleinmond Overhills		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.336437 19.006527*				250	600	2 000	Ward 10	New
Stanford IRDP	Stanford IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*				300	400	1 000	Ward 11	New
Electrification of housing projects	Electrification of housing projects		3	Yes	*Infrastructure - Other*	*Social rental housing*	*19°13'09"E34°25'30"S*				4 671			Ward 05,06	New
Hawston project - IRDP	Hawston project - IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.387826 19.138307*						2 000	Ward 08	New

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
1000 - ROADS									24 607	16 228					
Upgrade and rehabilitate roads	Upgrade and rehabilitate roads		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'42"E34°25'20"S*				4 650			Ward 12	Renewal
Upgrade of Landa Road (Mandela Square)	Upgrade of Landa Road (Mandela Square)		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'37"E34°25'36"S*				450			Ward 05	Renewal
Rehabilitation of existing pave road (LIC)	Rehabilitation of existing pave road (LIC)		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'46"E34°25'48"S*					1 400	2 000	Ward 06	New
Rehabilitate roads and upgrade stormwater	Rehabilitate roads and upgrade stormwater		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'59"E34°25'20"S*				300	3 500	1 500	Ward 04	New
Rehabilitate roads - Angelier Street	Rehabilitate roads - Angelier Street		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*						500	Ward 04	New
Provision of sidewalks	Provision of sidewalks				*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*							Ward 04	New
1200 - ELECTRICITY									26 768	39 229					
Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade	Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.349477 -34.607311*				4 900	2 600		Ward 01	New
Gansbaai: Minisub and MV/LV upgrade	Gansbaai: Minisub and MV/LV upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.351879 -34.585351*				1 000	2 700	4 000	Ward 02	New
Blompark: Low Voltage upgrade	Blompark: Low Voltage upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.348154 -34.594590*				1 400	1 000		Ward 02	New
Stanford: MV upgrade	Stanford: MV upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.459117 -34.436799*				600	1 200		Ward 11	New
Electrification of low cost housing areas (INEP)	Electrification of low cost housing areas (INEP)		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 38.87"S 19°13' 09.52" E*				2 000	2 000	2 000	Ward 10	New
Hermanus: LV Upgrade/Replacement	Hermanus: LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 03.44"S 19°12' 47.88" E*				2 100	6 000	4 000	Ward 03	Renewal
Kleinmond: MV & LV network upgrade	Kleinmond: MV & LV network upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°20' 33.67"S 19°01' 19.94" E*				2 500	2 000	3 000	Ward 09	New
Sandbaai: MV and LV Upgrade/Replacement	Sandbaai: MV and LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 09.58"S 19°11' 53.80" E*						500	Ward 07	Renewal
Hermanus: Main Str to Royal 2nd supply feeder	Hermanus: Main Str to Royal 2nd supply feeder		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 08.54"S 19°14' 16.34" E*				1 500			Ward 03	New
Hawston: LV Upgrade/Replacement	Hawston: LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°23' 27.10"S 19°08' 10.12" E*				1 000	1 000	2 000	Ward 08	Renewal
Hawston: See View feeder upgrade	Hawston: See View feeder upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°23' 25.03"S 19°08' 13.19" E*						300	Ward 08	New
Sandbaai-Mount Pleasant overhead line replacement	Sandbaai-Mount Pleasant overhead line replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 52.21"S 19°12' 41.66" E*						300	Ward 04	Renewal
Zwelihle to Beach overhead line replacement	Zwelihle to Beach overhead line replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 57.30"S 19°12' 50.73" E*						400	Ward 05	Renewal
Meer en See underground cable replacement	Meer en See underground cable replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°21' 58.22"S 19°06' 31.59" E*						600	Ward 08	Renewal
Mount Pleasant Bundle replacement	Mount Pleasant Bundle replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 03.44"S 19°12' 47.88" E*						1 400	Ward 04	Renewal
1300 - WATER									50 766	23 832					
Replacement of Overstrand water pipes	Replacement of Overstrand water pipes		2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				12 800	12 500	11 000	Overstrand	Renewal
Upgrading of "Die Oog" pump station building	Upgrading of "Die Oog" pump station building		2	Yes	*Infrastructure - Water*	*Reticulation*	*19.27.221154 -34.27.111652*						500	Ward 11	Renewal
New Bulk Water Reservoir -Sandbaai	New Bulk Water Reservoir -Sandbaai		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°25.210' / E19°12.063'*						5 500	Ward 07	New
Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines	Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines		2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°36.417' / E19°23.650'*					7 000	2 500	Ward 01	Renewal
Upgrading of Gateway,Camphill and Volmoed Well Fields	Upgrading of Gateway,Camphill and Volmoed Well Fields		2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°24.512' / E19°12.474'*						2 000	Ward 03	New
Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir	Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°19.96' / E18°50.26'*					2 000		Ward 09	Renewal
New 1 Ml/s Reservoir OHW.B31	New 1 Ml/s Reservoir OHW.B31		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*19°12'43"E34°24'46"S*					2 800		Ward 04	New
200 mm Ø Bulk watermain OHW8.1	200 mm Ø Bulk watermain OHW8.1		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'41"E34°21'50"S*					1 000		Ward 04	New
250 mm Ø Bulk watermain OHW.B14	250 mm Ø Bulk watermain OHW.B14		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'24"E34°24'35"S*					520		Ward 04	New
160 mm Ø Link watermain OHW8.3	160 mm Ø Link watermain OHW8.3		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'56"E34°25'07"S*					284		Ward 04	New
160 mm Ø link watermain OHW9.9	160 mm Ø link watermain OHW9.9		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'40"E34°25'47"S*					490		Ward 05	New
160 mm Ø link watermain OHW9.10	160 mm Ø link watermain OHW9.10		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'39"E34°25'49"S*						200	Ward 12	New
Hawston: Bulk water	Hawston: Bulk water		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'29"E34°23'24"S*						2 000	Ward 08	New
Hawston: Bulk water upgrade for housing project	Hawston: Bulk water upgrade for housing project		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'30"E34°23'23"S*						1 000	Ward 08	New
New 500 mm -Water pipe line	New 500 mm -Water pipe line		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'28"E34°23'24"S*						1 788	Ward 08	New

Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
1400 - SEWERAGE									14 621	12 153					
Upgrading of pumpstations	Upgrading of pumpstations		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'51"E 34°25'56"S*				1 000		2 000	Overstrand	Renewal
Stanford - Sewer network extension	Stanford - Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°439.75' / E19°455.90'*				2 000	2 000	–	Ward 11	New
Kleinmond - Sewer network extension	Kleinmond - Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°20.44' / E19°1.91'*					2 000	2 000	Ward 09	New
Gansbaai - CBD Sewer network extension	Gansbaai - CBD Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°35.377' / E19°21.087'*					3 000	3 000	Ward 09	New
Upgrading of Kidbrooke Pipeline	Upgrading of Kidbrooke Pipeline		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°24.810' / E19°10.001*				2 900			Ward 13	Renewal
WWTW Upgrade - Stanford	WWTW Upgrade - Stanford		2	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	*S34°26.518' / E19°26.929'*						1 000	Ward 11	Renewal
Eluxolweni - New bulk sewerage for housing project	Eluxolweni - New bulk sewerage for housing project		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°29'31"E34°39'02"S*				7 600	784		Ward 11	New
Upgrade existing sewerage pumpstation OHS19.2	Upgrade existing sewerage pumpstation OHS19.2		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'33"E34°25'46"S*					750		Ward 05	Renewal
Bulk Sewerage rising main 355 mm Ø OHS19.1	Bulk Sewerage rising main 355 mm Ø OHS19.1		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'36"E34°25'36"S*					1 620		Ward 05	New
Bulk Sewerage main 200 mm Ø OHS13.3	Bulk Sewerage main 200 mm Ø OHS13.3		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'40"E34°25'52"S*					1 000		Ward 12	New
Bulk Sewerage Outfall Line 525 mm Ø OHS13.2	Bulk Sewerage Outfall Line 525 mm Ø OHS13.2		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'45"E34°25'26"S*					1 500	600	Ward 12	New
1400 - STORMWATER									6 107	200					
Provision of stormwater system	Provision of stormwater system		2	Yes	*Other*	*Storm water*	*19°21'28"E34°35'27"S*					1 000		Ward 01	New
Upgrade Stormwater - Internal & External	Upgrade Stormwater - Internal & External		2	Yes	*Other*	*Storm water*	*19°12'48"E34°25'32"S*				800	1 000	1 000	Ward 05	New
Implementation of Stormwater Master Plan - (2)	Implementation of Stormwater Master Plan - (2)		2	Yes	*Other*	*Storm water*	*19°12'35"S34°25'22"S*							Ward 05	New
1500 - WASTE MANAGEMENT									5 528	3 041					
Karwyderskraal : New Waste Cell	Karwyderskraal : New Waste Cell		2	Yes	*Other*	*Waste Management*	*S34 20 08.6 ; E19 09 43.6*				10 200			Overstrand	New
300 - VEHICLES	300 - VEHICLES		1	Yes	*Other*	*Other*	*Overstrand wide*		3 868	4 695	10 525	1 000	3 000	Overstrand	New
300 - MINOR ASSETS									2 013	2 633					
Minor Assets	Minor Assets		1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				1 025	675	730	Overstrand	New
Electrification in informal areas	Electrification in informal areas		1	Yes	*Other*	*Other*	*34°25' 57.30"S 19°12' 50.73" E*				1 083			Overstrand	New
Equipment for additonal court	Equipment for additonal court		1	Yes	*Other*	*Furniture and other office equipment*	*19° 14 18" E en 34° 25 03" S*				250			Overstrand	New
Minor Assets: Library Grant	Minor Assets: Library Grant		1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				150			Overstrand	New
Parent Capital expenditure									**143 764**	**126 482**	**95 305**	**86 162**	**80 118**		

Table 60 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
R thousand						Year	Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
300 - INFORMATION & COMMUNICATION TECHNOLOGY											
UPGRADE OF TWO WAY RADIO NETWOR	UPGRADE OF TWO WAY RADIO NETWORK TO A DI		*Other*	*Computers - hardware/equipment*		**2011-2012**					
300 - PROPERTY SERVICES											
SANTA / RED CROSS PARKING	SANTA / RED CROSS PARKING		*Infrastructure - Other*	*Other*		**2011-2012**					
400 - COMMUNITY BUILDINGS						**2011-2012**					
EXTENSION OF COMMUNITY HALL	EXTENSION OF COMMUNITY HALL		*Community*	*Community halls*							
500 - SPORT & RECREATION											
BOARDWALK - KLEINBAAI SLIPWAY	BOARDWALK - KLEINBAAI SLIPWAY		*Community*	*Other*		**2011-2012**					
SPORTSGROUND - MOUNT PLEASANT	SPORTSGROUND - MOUNT PLEASANT		*Other*	*Sportsfields & stadia*		**2011-2012**					
HAWSTON SPORTSGROUND - UPGRADE	HAWSTON SPORTSGROUND - UPGRADE NETBALL		*Other*	*Sportsfields & stadia*		**2011-2012**					
SPORTSGROUND - ZWELIHLE	SPORTSGROUND - ZWELIHLE		*Other*	*Sportsfields & stadia*		**2011-2012**					
HAWSTON SPORTSGROUND - UPGRADE	HAWSTON SPORTSGROUND - UPGRADE RUGBY F		*Other*	*Sportsfields & stadia*		**2011-2012**					
900 - LOCAL ECONOMIC DEVELOPMENT											
LOCAL ECONOMIC DEVELOPMENT PROJ	LOCAL ECONOMIC DEVELOPMENT PROJECTS		*Other*	*Other*		**2011-2012**					
1000 - ROADS											
TARRING OF STREETS	TARRING OF STREETS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF STREETS	TARRING OF STREETS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
KERB CHANNELLING & PAVEMENTS (VO	KERB CHANNELLING & PAVEMENTS (VOELKLIP)		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS - REVITILISATION OF CBD	SIDEWALKS - REVITILISATION OF CBD		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WESTDENE TARRING	WESTDENE TARRING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS	SIDEWALKS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALK -TAMBO SQUARE	SIDEWALK -TAMBO SQUARE		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WALDORF RAISED CROSSING	WALDORF RAISED CROSSING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SANDBAAI TARRING	SANDBAAI TARRING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING/STORM WATER - MOUNTAIN V	TARRING/STORM WATER - MOUNTAIN VIEW AVEN		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING SIDEWALKS - KERK STREET	TARRING SIDEWALKS - KERK STREET		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS	SIDEWALKS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF ROADS - PROBLEMATIC ST	TARRING OF ROADS - PROBLEMATIC STORM WAT		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WALKWAY EXTENSION - HANGKLIP RD T	WALKWAY EXTENSION - HANGKLIP RD TOWARDS F		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
ATLANTIC AVENUE GABIONS	ATLANTIC AVENUE GABIONS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
EXTENSION OF PAVED PARKING – COMM	EXTENSION OF PAVED PARKING – COMMUNITY HA		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
PAVEMENT &REPLACEMENT STORM WA	PAVEMENT &REPLACEMENT STORM WATER CHA		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF ROADS - BOUNDARY ROA	TARRING OF ROADS - BOUNDARY ROAD		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
UPGRADING/REPLACEMENT OF PEDEST	UPGRADING/REPLACEMENT OF PEDESTRIAN BRID		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
1200 - ELECTRICITY											
SWARTDAM RD. ELECTRIFICATION -HOU	SWARTDAM RD. ELECTRIFICATION -HOUSING PRO		*Infrastructure - Electricity*	*Transmission & Reticulation*		**2011-2012**					
1400 - STORM WATER											
IMPLEMENTATION OF STORM WATER M	IMPLEMENTATION OF STORM WATER MASTER PL		*Other*	*Storm water*		**2011-2012**					
BETTY'S BAY-SWATER(OTTER CLOSE	BETTY'S BAY-SWATER(OTTER CLOSE		*Other*	*Storm water*		**2011-2012**					
STORM WATER AT HIGH SCHOOL	STORM WATER AT HIGH SCHOOL		*Other*	*Storm water*		**2011-2012**					
EASTCLIFF - MOSSELRIVIER 57, STORM	EASTCLIFF - MOSSELRIVIER 57, STORM WATER		*Other*	*Storm water*		**2011-2012**					
STORM WATER - ZWELIHLE	STORM WATER - ZWELIHLE		*Other*	*Storm water*		**2011-2012**					
STORM WATER - LONG STREET	STORM WATER - LONG STREET		*Other*	*Storm water*		**2011-2012**					
DUKE ROAD 17A - STORM WATER	DUKE ROAD 17A - STORM WATER		*Other*	*Storm water*		**2011-2012**					
1500- WASTE MANAGEMENT											
HERMANUS MRF CONCRETE SLAB	HERMANUS MRF CONCRETE SLAB		*Other*	*Waste Management*		**2011-2012**					
HERMANUS TRANSFER STATION STAFF	HERMANUS TRANSFER STATION STAFF FACILITIE		*Other*	*Waste Management*		**2011-2012**					
BETTY'S BAY DROP OFF OFFICE	BETTY'S BAY DROP OFF OFFICE		*Other*	*Waste Management*		**2011-2012**					

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and has employed two interns undergoing training in ICT Department

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The draft SDBIP document was tabled in council on 20 March 2014 and is aligned and informed by the 2014/15 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training has been completed by 90 officials with another group of 30 officials in progress.

8. Policies
   All budget related policies have been reviewed and amendments will serve before council on 28 May 2014.

2.14 Other supporting documents

Table 61 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE ITEMS:									
Property rates									
Total Property Rates	130 606	138 437	148 599	160 431	160 431	160 431	184 330	195 857	205 600
less Revenue Foregone	1 868	29 525	32 278	33 509	33 509	33 509	35 690	37 832	40 102
Net Property Rates	**128 737**	**108 913**	**116 321**	**126 921**	**126 921**	**126 921**	**148 640**	**158 025**	**165 498**
Service charges - electricity revenue									
Total Service charges - electricity revenue	183 552	224 950	247 521	295 786	295 786	295 786	323 104	347 205	365 053
less Revenue Foregone				10 850	10 850	10 850	13 018	14 060	15 184
Net Service charges - electricity revenue	**183 552**	**224 950**	**247 521**	**284 936**	**284 936**	**284 936**	**310 085**	**333 146**	**349 869**
Service charges - water revenue									
Total Service charges - water revenue	**74 099**	**83 755**	**85 498**	**102 465**	**96 965**	**96 965**	**101 149**	**105 510**	**111 404**
less Revenue Foregone				3 823	3 823	3 823	5 252	5 567	5 901
Net Service charges - water revenue	**74 099**	**83 755**	**85 498**	**98 642**	**93 142**	**93 142**	**95 897**	**99 943**	**105 503**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	**50 381**	**57 212**	**57 223**	**61 010**	**62 921**	**62 921**	**63 554**	**67 102**	**70 870**
less Revenue Foregone				93	93	93	99	105	111
Net Service charges - sanitation revenue	**50 381**	**57 212**	**57 223**	**60 917**	**62 827**	**62 827**	**63 455**	**66 997**	**70 759**
Service charges - refuse revenue									
Total refuse removal revenue	36 945	39 498	46 788	52 974	53 421	53 421	56 549	59 944	63 544
Total landfill revenue					–	–			
less Revenue Foregone				40	487	487	419	444	470
Net Service charges - refuse revenue	**36 945**	**39 498**	**46 788**	**52 934**	**52 934**	**52 934**	**56 130**	**59 500**	**63 074**
Other Revenue by source									
Building plan fees	2 800	3 252	2 880	2 800	2 950	2 950	3 300	3 630	3 993
Collection charges	1 705	2 071	2 542	2 500	2 550	2 550	2 805	3 086	3 390
Developers contributions	3 250	1 719	2 615	1 730	2 000	2 000	1 995	2 075	2 160
Central improvement district	3 601	3 663	3 918	4 362	4 234	4 234	4 869	5 112	5 368
Sundry income	2 819	599	2 522	481	480	480	669	711	757
Townplanning fees	709	756	793	680	680	680	803	883	972
Admission fees	598	661	707	650	700	700	770	847	932
Valuation and clearance certificates	389	335	388	535	535	535	504	553	607
Fair value adjustments	22 426	–	49 649						
Roadworthy certificates	457	453	463	500	525	525	578	635	699
SETA claims	464	1 046	1 058	800	800	800	848	899	899
Reconnection fees/ Other Income	279	2 819	3 926	4 926	6 061	6 061	4 577	4 425	4 629
Total 'Other' Revenue	**39 497**	**17 375**	**71 461**	**19 963**	**21 516**	**21 516**	**21 717**	**22 855**	**24 404**
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	121 116	131 998	151 906	153 802	165 331	165 331	184 410	197 574	211 127
Pension and UIF Contributions	21 976	25 219	26 372	28 009	27 758	27 758	29 321	31 171	33 197
Medical Aid Contributions	7 007	7 521	8 176	11 396	11 355	11 355	11 463	12 432	13 615
Overtime	10 506	12 030	12 423	11 483	11 146	11 146	13 913	14 859	15 819
Performance Bonus	–			12 011	–	–			
Motor Vehicle Allowance	7 877	8 299	9 178	11 152	10 870	10 870	11 760	11 783	12 033
Cellphone Allowance				1 513	1 513	1 513	1 638	1 699	1 792
Housing Allowances	968	1 025	1 046	951	951	951	1 018	978	977
Other benefits and allowances	8 442	9 693	11 182	9 183	9 118	9 118	11 118	11 512	12 278
Payments in lieu of leave	2 056	1 327	2 138	900	2 246	2 246	2 350	2 491	2 640
Long service awards	535	759	690	813	831	831	1 200	1 211	1 598
Post-retirement benefit obligations	6 850	10 068	8 415	9 630	11 335	11 335	11 875	12 588	13 343
sub-total	**187 333**	**207 938**	**231 527**	**250 842**	**252 454**	**252 454**	**280 066**	**298 298**	**318 421**
Less: Employees costs capitalised to PPE									
Total Employee related costs	**187 333**	**207 938**	**231 527**	**250 842**	**252 454**	**252 454**	**280 066**	**298 298**	**318 421**

Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Contributions recognised - capital									
Public contribution - non cash - assets	7 368	4 471	4 387						
DWA ACIP project	–	1 302	–				1 000		
Government contribution - non cash - assets	–	–	180						
KM CSIR	12 776	395	–						
Spaces for sport	127	156	200				51		
Eskom Solar Rebate/ Stony Point Eco Centre et	1 290	2 280	522	3 583	1 083	1 083	1 083		
Total Contributions recognised - capital	**21 561**	**8 603**	**5 289**	**3 583**	**1 083**	**1 083**	**2 134**	**–**	**–**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	103 347	100 930	96 076	103 810	102 070	102 070	109 265	111 199	112 750
Lease amortisation									
Capital asset impairment	3 431	3 111	9 204						
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	**106 777**	**104 041**	**105 280**	**103 810**	**102 070**	**102 070**	**109 265**	**111 199**	**112 750**
Bulk purchases									
Electricity Bulk Purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Water Bulk Purchases									
Total bulk purchases	**101 683**	**126 669**	**145 022**	**156 893**	**156 893**	**156 893**	**169 444**	**183 000**	**197 640**
Transfers and grants									
Cash transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**23 620**	**28 454**	**35 856**	**38 766**	**39 217**	**39 217**	**41 370**	**44 065**	**46 708**
Contracted services									
Specialist services	8 259								
Other contractors	11 994								
Ward projects		5 247	5 679	5 625	1 832	1 832	1 566	5 200	5 200
Vehicle maintenance		4 732	4 918	5 902	5 914	5 914	6 198	7 456	8 350
Maintenance contractors		41	45 384	52 248	52 954	52 954	55 483	63 625	66 462
Contracted services		14 059	11 620	11 134	16 144	16 144	17 816	18 967	20 825
sub-total	**20 253**	**24 079**	**67 601**	**74 909**	**76 844**	**76 844**	**81 062**	**95 248**	**100 837**
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	**20 253**	**24 079**	**67 601**	**74 909**	**76 844**	**76 844**	**81 062**	**95 248**	**100 837**
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions	14 947	3 601	3 246	3 403	3 409	3 409	3 010	3 191	3 382
Consultant fees	–	10 766	9 367	13 789	12 856	12 856	12 858	13 196	13 572
Audit fees	2 732	2 501	2 869	3 400	4 050	4 050	4 104	3 821	4 050
General expenses	40 266	22 505	16 374	19 520	21 492	21 492	13 244	19 728	15 947
Conditional receipts expenses	4 029	54 612	4 133	22 979	24 346	24 346	3 382	13 465	24 307
Property valuation charges	901	2 418	1 030	900	900	900	1 100	1 120	1 230
Water catchment, research and testing/Mun Ser	1 822	5 648	5 295	4 640	4 519	4 519	4 260	4 515	4 779
Fuel and oil	6 887	9 042	9 903	11 249	11 237	11 237	12 506	14 170	15 871
Chemicals	6 659	6 411	8 488	8 690	10 072	10 072	9 664	10 637	11 284
Legal fees	606	2 766	1 649	2 000	1 940	1 940	1 700	1 590	1 685
Telephone and fax	4 789	3 912	2 934	3 171	3 171	3 171	3 342	3 523	3 713
Tourism development	3 081	2 824	2 732	1 513	2 815	2 815	2 618	2 775	2 941
Security services	3 417	3 435	3 759	4 056	4 814	4 814	4 325	4 620	4 902
Solid waste dumping fees	3 392	1 375	–	–	–	–			
Solid waste haulage	2 255	4 345	6 318	6 609	7 090	7 090	8 217	9 403	10 669
Hermanus public protection	3 152	3 603	3 921	4 362	4 373	4 373	5 029	5 331	5 651
Training	2 397	2 748	2 363	2 400	1 950	1 950	2 300	2 877	3 050
Electricity	2 146	2 575	3 248	3 746	4 246	4 246	4 672	4 710	5 143
Commission paid	2 956	3 416	4 014	3 954	1 030	1 030	1 145	1 405	1 582
Advertising	1 153	1 366	1 511	1 713	1 926	1 926	1 623	1 765	1 876
Management of informal settlements	1 462	1 475	1 513	2 264	1 563	1 563	1 869	1 981	2 100
Insurance	1 725	1 651	2 145	3 000	2 569	2 569	2 750	3 360	3 528
Printing and stationery	1 775	1 868	1 875	2 212	2 186	2 186	2 309	2 457	2 599
Solid waste chipping	1 946	2 369	2 151	1 260	2 128	2 128	2 809	3 234	3 696
Special projects	1 786	1 059	1 270	3 088	1 209	1 209	868	1 342	1 408
Workmen's Compensation Assurance							1 650	1 749	1 854
SALGA Membership Fees							2 505	2 946	3 152
Rentals (Equipment & Offices)							1 731	1 960	2 084
Postage & Courier Services							1 818	1 921	2 033
Total 'Other' Expenditure	**116 278**	**158 290**	**102 107**	**133 917**	**135 889**	**135 889**	**117 407**	**142 792**	**158 088**

Repairs and Maintenance									
Employee related costs	13 978	15 563	27 460	37 260	35 728	35 728	40 285	42 994	46 241
Other materials	4 600	5 188	9 153	45 751	12 854	12 854	8 807	9 717	10 231
Contracted Services	11 065	12 320	21 740	76 766	29 992	29 992	34 161	40 008	41 042
Other Expenditure	28 596	31 774	56 061	3 582	76 221	76 221	79 016	94 241	98 513
Total Repairs and Maintenance Expenditure	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027

Table 62 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
Revenue By Source									
Property rates				148 640					**148 640**
Property rates - penalties & collection charges				1 050					**1 050**
Service charges - electricity revenue							310 085		**310 085**
Service charges - water revenue					95 897				**95 897**
Service charges - sanitation revenue					63 455				**63 455**
Service charges - refuse revenue					56 130				**56 130**
Service charges - other									**–**
Rental of facilities and equipment					7 941		25		**7 966**
Interest earned - external investments				6 166					**6 166**
Interest earned - outstanding debtors				2 288					**2 288**
Dividends received									**–**
Fines					75			7 890	**7 965**
Licences and permits					440			1 789	**2 229**
Agency services					5			2 475	**2 480**
Other revenue	384		911	10 067	3 357	1 200	4 769	1 030	**21 717**
Transfers recognised - operational	52 021			884	5 884	1 768			**60 557**
Gains on disposal of PPE									**–**
Total Revenue (excluding capital transfers and	**52 405**	**–**	**911**	**169 095**	**233 183**	**2 968**	**314 879**	**13 184**	**786 624**
Expenditure By Type									
Employee related costs	14 232	3 773	19 743	35 346	134 355	5 200	39 105	28 312	**280 066**
Remuneration of councillors	8 516								**8 516**
Debt impairment									**–**
Depreciation & asset impairment	22	19	1 790	280	47 753	128	58 344	929	**109 265**
Finance charges			7	126	29 604		15 425		**45 162**
Bulk purchases							169 444		**169 444**
Other materials		3	641	35	7 534	28	8 740	313	**17 295**
Contracted services		39	6 277	6 939	34 160	44	27 312	6 292	**81 062**
Transfers and grants	41 370								**41 370**
Other expenditure	6 356	579	14 043	21 506	44 698	5 496	16 733	7 996	**117 407**
Loss on disposal of PPE									**–**
Total Expenditure	**70 496**	**4 413**	**42 501**	**64 232**	**298 106**	**10 896**	**335 103**	**43 842**	**869 588**
Surplus/(Deficit)	**(18 091)**	**(4 413)**	**(41 590)**	**104 863**	**(64 923)**	**(7 928)**	**(20 224)**	**(30 659)**	**(82 965)**
Transfers recognised - capital			**1 500**		**28 584**		**2 000**		**32 084**
Contributions recognised - capital					51		2 083		**2 134**
Contributed assets									**–**
Surplus/(Deficit) after capital transfers & contributions	**(18 091)**	**(4 413)**	**(40 090)**	**104 863**	**(36 288)**	**(7 928)**	**(16 141)**	**(30 659)**	**(48 747)**

Table 63 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Call investment deposits									
Call deposits < 90 days	50 000	75 000	55 042	–					
Other current investments > 90 days									
Total Call investment deposits	**50 000**	**75 000**	**55 042**	**–**	**–**	**–**	**–**	**–**	**–**
Consumer debtors									
Consumer debtors	64 654	68 475	65 996	67 826	67 826	67 826	69 091	69 446	69 328
Less: Provision for debt impairment	(20 232)	(18 114)	(16 916)	(17 000)	(17 000)	(17 000)	(16 500)	(16 000)	(15 500)
Total Consumer debtors	**44 422**	**50 361**	**49 080**	**50 826**	**50 826**	**50 826**	**52 591**	**53 446**	**53 828**
Debt impairment provision									
Balance at the beginning of the year	23 549	20 232	18 114	22 000	22 000	22 000	17 000	16 500	16 000
Contributions to the provision	4 806	(190)	594	–	–	–			
Bad debts written off	(8 123)	(1 928)	(1 792)	(5 000)	(5 000)	(5 000)	(500)	(500)	(500)
Balance at end of year	**20 232**	**18 114**	**16 916**	**17 000**	**17 000**	**17 000**	**16 500**	**16 000**	**15 500**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 580 459	5 709 629	5 832 165	5 963 038	5 966 768	5 966 768	6 061 941	6 148 103	6 228 221
Leases recognised as PPE	–	1 208	1 379	1 208	1 208	1 208	1 406	1 406	1 406
Less: Accumulated depreciation	2 556 098	2 637 823	2 727 895	2 883 771	2 882 031	2 882 031	2 990 924	3 101 751	3 214 128
Total Property, plant and equipment (PPE)	**3 024 361**	**3 073 014**	**3 105 649**	**3 080 474**	**3 085 945**	**3 085 945**	**3 072 423**	**3 047 758**	**3 015 499**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	374	485	197	197	197	1 176	1 323	1 505
Current portion of long-term liabilities	14 218	16 424	17 756	20 426	20 426	20 426	23 929	27 220	30 023
Total Current liabilities - Borrowing	**14 218**	**16 798**	**18 241**	**20 623**	**20 623**	**20 623**	**25 105**	**28 542**	**31 528**
Trade and other payables									
Trade and other creditors	80 873	63 172	66 860	64 237	62 036	62 036	55 831	68 465	55 956
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
VAT									
Total Trade and other payables	**90 828**	**67 728**	**74 643**	**64 237**	**62 036**	**62 036**	**55 831**	**68 465**	**55 956**
Non current liabilities - Borrowing									
Borrowing	247 081	340 581	364 394	391 789	391 789	391 789	407 225	425 005	439 982
Finance leases (including PPP asset element)		623	260	–	–	–	4 541	3 219	1 713
Total Non current liabilities - Borrowing	**247 081**	**341 204**	**364 654**	**391 789**	**391 789**	**391 789**	**411 766**	**428 224**	**441 696**
Provisions - non-current									
Retirement benefits	61 660	71 562	79 887	89 131	89 131	89 131	92 875	97 704	102 785
List other major provision items									
Refuse landfill site rehabilitation	29 342	32 057	31 933	38 086	38 086	38 086	36 617	38 521	40 525
Other	6 413	7 478	7 498	8 108	8 108	8 108	8 008	8 322	8 650
Total Provisions - non-current	**97 414**	**111 097**	**119 319**	**135 325**	**135 325**	**135 325**	**137 501**	**144 548**	**151 960**
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 537 046	2 564 679	2 490 973	2 435 180	2 884 213	2 884 213	2 857 322	2 808 575	2 752 018
GRAP adjustments	17 898	364 261	356 359	–					
Restated balance	2 554 944	2 928 940	2 847 332	2 435 180	2 884 213	2 884 213	2 857 322	2 808 575	2 752 018
Surplus/(Deficit)	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Appropriations to Reserves									
Transfers from Reserves	–	–	1 333	–					
Depreciation offsets									
Other adjustments					16 515	16 515			
Accumulated Surplus/(Deficit)	**2 564 679**	**2 847 332**	**2 855 854**	**2 397 233**	**2 857 322**	**2 857 322**	**2 808 575**	**2 752 018**	**2 682 425**
Reserves									
Housing Development Fund	1 913	1 920	1 891	1 927	1 927	1 927	1 934	1 941	1 960
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	315 176	–	–	315 176	–	–			
Total Reserves	**317 089**	**1 920**	**1 891**	**317 103**	**1 927**	**1 927**	**1 934**	**1 941**	**1 960**
TOTAL COMMUNITY WEALTH/EQUITY	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**

Table 64 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population		55	75	84	95	80		88			
Females aged 5 - 14		3	6	5	6	5		6			
Males aged 5 - 14		3	6	5	6	5		6			
Females aged 15 - 34		6	12	14	9	13		14			
Males aged 15 - 34		6	11	14	9	14		15			
Unemployment		5	8	5		4		5			
Monthly household income (no. of households)											
No income			3 758	9 837		7 113		10 759			
R1 - R1 600			3 844	4 545		4 334		4 657			
R1 601 - R3 200			1 317	3 085		2 048		3 427			
R3 201 - R6 400			669	1 600		1 406		1 679			
R6 401 - R12 800			746	2 826		1 133		3 395			
R12 801 - R25 600			192	10 211		748		15 218			
R25 601 - R51 200			253	7 606		266		12 350			
R52 201 - R102 400			30	338		77		438			
R102 401 - R204 800				124		25		163			
R204 801 - R409 600				36		19		42			
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month	# households earning		7 602	14 382		11447.00		15416.00			
Insert description											
Household/demographics (000)											
Number of people in municipal area	Stats SA		74 546	84 253		80 432		88 285			
Number of poor people in municipal area											
Number of households in municipal area	Stats SA		21 953	21 063		20 108		22 071			
Number of poor households in municipal area											
Definition of poor household (R per month)											
Housing statistics											
Formal							31 739				
Informal					3 682	3 421	3 406				
Total number of households		-	-	-	3 682	3 421	35 145	-	-	-	-
Dwellings provided by municipality					410			183			
Dwellings provided by province/s					30	393					
Dwellings provided by private sector											
Total new housing dwellings		-	-	-	440	393	-	183	-	-	-

Table 65 MBRR SA11 – Property rates summary

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Valuation:	1									
Date of valuation:		02/07/2007	02/07/2007	02/07/2011	02/07/2011	02/07/2011	02/07/2011			
Financial year valuation used		**2008/2009**	**2008/2009**	**2012/2013**				**2012/2013**		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes							
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes							
Municipal partnership s38 used? (Y/N)		No	No							
No. of assistant valuers (FTE)	3	**2**	**2**	**2**	2	**2**	**2**	2	**2**	**2**
No. of data collectors (FTE)	3	6	6	6	6	6	6	12	12	6
No. of internal valuers (FTE)	3	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	3	4	4	4	3	3	3	3	3	3
No. of additional valuers (FTE)	4	–	–	–	–	–	–	1	1	–
Valuation appeal board established? (Y/N)		Yes	Yes							
Implementation time of new valuation roll (mths)		36		36	24			12		
No. of properties	5	40 839	40 907	40 801	41 025	41 025	41 025	41 230	41 436	41 643
No. of sectional title values	5	2 396	2 396	2 383	2 623	2 623	2 623	2 636	2 649	2 663
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–
No. of supplementary valuations		3	1	2	3	3	3	2	2	2
No. of valuation roll amendments		4	2	3	3	3	3	2	2	2
No. of objections by rate payers		40	24	830	103	103	103	100	1 200	100
No. of appeals by rate payers		2	1	53	5	5	5	10	120	10
No. of successful objections	8	2	5		24	24	24	20	200	20
No. of successful objections > 10%	8	2	–	137	14	14	14	10	100	10
Supplementary valuation		4 069	3 323	4 998	4 233	7 548	7 548	4 487	4 756	5 042
Public service infrastructure value (Rm)	5	38	38	40	40	40	40	43	45	48
Municipality owned property value (Rm)		701	701	694	694	694	694	736	780	827
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		41	41	40	40	40	40	43	45	48
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		535	458	453	453	453	453	480	509	540
Valuation reductions-public worship (Rm)		211	211	209	209	209	209	222	235	249
Valuation reductions-other (Rm)		2 329	2 067	2 046	2 046	2 046	2 046	2 169	2 299	2 437
Total valuation reductions:		**3 116**	**2 776**	**2 749**	**2 749**	**2 749**	**2 749**	**2 913**	**3 088**	**3 274**
Total value used for rating (Rm)	5	39 151	39 491	39 152	39 152	39 152	39 152	41 501	43 991	46 630
Total land value (Rm)	5	22 148	22 148	21 360	21 360	21 360	21 360	22 642	**24 000**	**25 440**
Total value of improvements (Rm)	5	20 119	20 119	20 540	20 540	20 540	20 540	21 772	23 079	24 463
Total market value (Rm)	5	42 267	42 267	41 900	41 900	41 900	41 900	44 414	47 079	49 904
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6	105 492	112 600	120 278	126 818	126 818	126 818	148 520	158 025	165 259
Rate revenue expected to collect (R'000)	6	105 492	112 600	120 278	126 818	126 818	126 818	148 520	158 025	165 259
Expected cash collection rate (%)		86.8%	87.6%	99.9%	99.0%	99.0%	99.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	7	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		142	205	319	331	331	331	245	260	275
Rebates, exemptions - bona fide farm. (R'000)		1 182	634	1 653	1 712	1 712	1 712	1 267	1 343	1 424
Rebates, exemptions - other (R'000)		2 974	2 190	3 708	3 839	3 839	3 839	2 843	3 013	3 194
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		**4**	**3**	**5 680**	**5 882**	**5 882**	**5 882**	**4 355**	**4 616**	**4 893**

Table 66 MBRR SA12a – Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2013/14																
Valuation:																
No. of properties	36 750	–	1 591	315	186	1 656	204	–	–	–	–	–	114	–	125	–
No. of sectional title property values	2 243	–	379	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	total of 2 up to date		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	Total: 4233315100		–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	87	–	1	–	–	–	15	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	3	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	3	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–
No. of successful objections	15	–	1	–	–	–	11	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	2	–	1	–	–	–	11	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	100 total	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation (select)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Frequency of valuation (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	40	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	453	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	209	–
Valuation reductions-other (Rm)	2 046	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	34 324	–	3 631	871	316	–	–	–	–	–	–	–	9	–	–	–
Total land value (Rm)	18 291	–	1 550	534	152	527	27	–	–	–	–	–	197	–	82	–
Total value of improvements (Rm)	17 565	–	2 081	337	172	168	13	–	–	–	–	–	72	–	132	–
Total market value (Rm)	**35 856**	**–**	**3 631**	**871**	**325**	**694**	**40**	**–**	**–**	**–**	**–**	**–**	**269**	**–**	**214**	**–**
Rating:																
Average rate	0.003600		0.005450	0.000900	0.005450				0.003600	0.005450						
Rate revenue budget (R '000)	91 896		18 416	221	16 285											
Rate revenue expected to collect (R'000)	91 896		18 416	221	16 285											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	331															
Rebates, exemptions - bona fide farm. (R'000)				1 712												
Rebates, exemptions - other (R'000)				3 839												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

Table 67 MBRR SA12b – Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2014/15																
Valuation:																
No. of properties																
No. of sectional title property values	36 750	–	1 591	315	186	1 656	204	–	–	–	–	–	114	–	125	–
No. of unreasonably difficult properties s7(2)	2 243	–	379	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	2 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	Total R4656646610															
No. of objections by rate-payers	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of appeals by rate-payers	150 total		–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	20 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	20 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	40 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	10 total	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation (select)	100 total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation (select)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Method of valuation used (select)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Base of valuation (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Phasing-in properties s21 (number)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Combination of rating types used? (Y/N)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	43	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	480	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 169	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	36 383	–	3 849	923	335	–	–	–	–	–	–	–	10	–	–	–
Total land value (Rm)	19 388	–	1 643	566	161	558	29	–	–	–	–	–	209	–	87	–
Total value of improvements (Rm)	18 619	–	2 206	357	183	178	14	–	–	–	–	–	76	–	140	–
Total market value (Rm)	**38 007**	**–**	**3 849**	**923**	**344**	**736**	**43**	**–**	**–**	**–**	**–**	**–**	**285**	**–**	**227**	**–**
Rating:																
Average rate	0.004140		0.006270	0.001035	0.006270				0.004140	0.006270					0.004140	
Rate revenue budget (R '000)	107 622		21 567	0	19 072				–						–	
Rate revenue expected to collect (R'000)	107 622		21 567	0	19 072											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - indigent (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - pensioners (R'000)	245															
Rebates, exemptions - bona fide farm. (R'000)				1 267												
Rebates, exemptions - other (R'000)				2 843												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

Table 68 MBRR SA13a – Service tariffs by category

Description	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Property rates (rate in the Rand)								
Residential properties		89 567 294	94 852 280	100 066 700	91 896 000	107 622 000	174 223 000	119 752 000
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used		131 338	186 487	287 327	221 000	259 000	419 000	288 000
Farm properties - not used								
Industrial properties								
Business and commercial properties		15 792 982	17 562 116	19 923 518	18 416 000	21 567 000	34 914 000	23 998 000
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties					16 285 000.0000	19 072 000.0000	30 874 000.0000	21221000.0000
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates (Rands)								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		35 000	35 000	100 000	100 000	100 000	100 000	100 000
Pensioners/social grants rebate or exemption		50 000	50 000	100 000	100 000	100 000	100 000	100 000
Temporary relief rebate or exemption		20-40%	30-100%	30-100%	30-100%	30-100%	30-100%	30-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		90%	85%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		81	88	93	96	102	111	118
Service point - vacant land (Rands/month)		81	88	93	96	102	111	118
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	Consumption - Households				307	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	-	811	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	648	702	746	1 316	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	648	702	1 200	2 026	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 620	1 755	1 860	2 632	3 263	3 459	3 666
Other	> 60 kl	2 160	2 369	2 518	3 509	4 351	4 612	4 889
Waste water tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		70	76	81	86	91	96	102
Service point - vacant land (Rands/month)		149	161	123	130	109	116	122
Waste water - flat rate tariff (c/kl)		750	811	877	965	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	47	51	54	58	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	325	351	373	396	419	444	471
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixed fee (Rands/month)		142	152	158	193	204	216	229
Service point - vacant land (Rands/month)		142	152	158	193	204	216	229
FBE	Qualify for indigent							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	<30 Amp	1 066	720	795	795	886	939	996
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)	Credit meter							
Meter - IBT Block 1 (c/kwh)	0 - 350 kWH	694	720	861	886	959	1 017	1 078
Meter - IBT Block 2 (c/kwh)	351 - 600 kWH	694	980	1 133	1 201	1 300	1 378	1 461
Meter - IBT Block 3 (c/kwh)	> 600 kWH	694	1 140	1 328	1 448	1 567	1 661	1 761
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	Prepaid meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWH	694	720	795	819	886	939	996
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWH	694	980	1 068	1 132	1 225	1 299	1 376
Prepaid - IBT Block 3 (c/kwh)	> 600 kWH	694	1 140	1 277	1 392	1 506	1 596	1 692
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		77	83	113	123	130	138	146
80l bin - once a week								
250l bin - once a week		272	284	113	123	130	138	146

Table 69 MBRR SA13b – Service tariffs by category (explanatory)

Description	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Exemptions, reductions and rebates *(Rands)*	RESIDENTIAL	0.00310	0.00326	0.00360	0.00360	0.00414	0.00438	0.00465
[Insert lines as applicable]	BUSINESS &	0.00440	0.00476	0.00545	0.00545	0.00626	0.00664	0.00700
	FARM PROPERTIES	0.00310	0.00326	0.00090	0.00090	0.00103	0.00109	0.00116
Water tariffs								
[Insert blocks as applicable]	Basic charge/fixed fee				96	102	108	115
	Service point - vacant land				96	102	108	115
	0 - 6 kl	-	-	-	307	325	345	365
	7 - 18 kl	648	702	746	811	1 005	1 065	1 129
	19 - 30 kl	648	702	1 200	1 316	1 631	1 729	1 833
	31 - 45 kl	1 620	1 755	1 860	2 026	2 512	2 663	2 822
	46 - 60 kl	1 620	1 755	1 860	2 632	3 263	3 459	3 666
	> 60 kl	2 160	2 369	2 518	3 509	4 351	4 612	4 889
	(fill in thresholds)							
	(fill in thresholds)							
Waste water tariffs								
[Insert blocks as applicable]	Basic charge per month	70	76	80	86	91	97	102
	Basic charge - vacant land	149	161	122	130	109	116	122
	Flat rate per kl	750	811	877	965	1 026	1 088	1 153
	Basic charge - pumps	47	51	54	58	61	65	69
	Service per pump	325	351	372	396	419	445	471
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
Electricity tariffs								
[Insert blocks as applicable]	Basic charge - monthly	142	152	158	193	204	216	229
	Basic charge - vacant land	142	152	158	193	204	216	229
	Flat rate - Lifeline	1 066	720	795	795	886	939	996
	Credit meter							
	0 - 350 kWH	694	720	861	861	959	1 017	1 078
	351 - 600 kWH	694	980	1 133	1 190	1 300	1 378	1 461
	> 600 kWH	694	1 140	1 328	1 435	1 567	1 661	1 761
	Prepaid meter							
	0 - 350 kWH	694	720	795	795	886	939	996
	351 - 600 kWH	694	980	1 068	1 121	1 225	1 299	1 376
	> 600 kWH	694	1 140	1 277	1 379	1 506	1 596	1 692
	(fill in thresholds)							
	(fill in thresholds)							

Table 70 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function solid waste : Overstran	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste : Overstran	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

Table 71 MBRR SA33 – Contracts having future budgetary implications

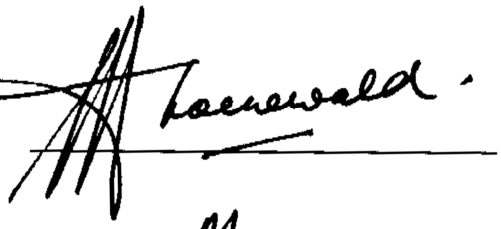
Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street signs in the Overstrand Municiapl area.Term of contract 01/07/ 2012 until 31/05/2022		**185**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**		2 298
													–
													–
Total Operating Revenue Implication	**–**	**185**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**	**–**	2 298
Expenditure Obligation By Contract													
Contract 1:SC867B/2010 Operation of the merchanised materiaal recovery facility at the Hermanus solid waste transfer station.Term of contract 01/12/2013 until 30/10/ 2022		730	1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912			12 634
Contract 2:SC878/2010 Operation of the Gansbaai landfill and public drop offs in greater Gansbaai and Stanford.Term of contract 01/05/2010 until 01/05/2017		3 555	3 388	2 949	3 323	3 697	1 738						18 650
													–
Total Operating Expenditure Implication	–	4 285	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	–	–	31 284
Capital Expenditure Obligation By Contract													
													–
													–
													–
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**–**	**4 285**	**4 518**	**4 165**	**4 631**	**5 107**	**3 258**	**1 639**	**1 770**	**1 912**	**–**	**–**	31 284

2.15 Municipal manager's quality certificate

I, Coenie Groenewald, the Municipal Manager of Overstrand Municipality, hereby certify that the annual budget for 2014/2015 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: **CC Groenewald**

Municipal manager of **Overstrand Municipality (WC032)**

Signature: 

Date: 22 May 2014

ANNEXURE A

PROPOSED AMENDMENTS TO DRAFT BUDGET

2014/2015 FINAL BUDGET

CHANGES TO 2014/2015 DRAFT BUDGET

OPEX

		2014/2015	2015/2016	2016/2017	Comments
	DRAFT BUDGET BOTTOMLINE	**47 502 558**	**58 954 181**	**72 202 894**	
1 01 0008 075	CONTRACTED SERVICES (Magistrate for Mun Court)	263 542			Final Figure for the Magistrate Salary as per GG
1 01 0066 168	INTEREST PAID (FINANCE LEASES)	6 704			Finance lease on photocopy Machines
1 01 0001 089	SALGA MEMBERSHIP FEES	-2 505 432			Re-allocation between cost codes - new cost code
1 01 0001 103	SALGA MEMBERSHIP FEES	2 505 432			Re-allocation between cost codes - new cost code
1 01 0266 035	COMMISSION	-105 000			Re-allocation between cost codes
1 01 0266 075	CONTRACTED SERVICES	105 000			Re-allocation between cost codes
VARIOUS	INTEREST PAID (EXTERNAL LOANS)	620 898	781 476	669 169	Interest rate adjustment
1 01 0299 548	HOUSING ELUXOLWENI (Housing Re-allocation)	183 000			Re-allocation of Housing Funds
1 01 0199 032	CHEMICALS	-160 000			Re-allocation between cost codes
1 01 0214 032	CHEMICALS	160 000			Re-allocation between cost codes
1 01 0214 032	CHEMICALS	-125 000			Re-allocation between cost codes
1 01 0199 032	CHEMICALS	125 000			Re-allocation between cost codes
1 01 0001 101	WORKMENS COMPENSATION ASSURANCE	460 256	487 871	517 144	Estimate revised
1 01 0056 660	WARD PROJECTS - OPEX	90 000			Re-allocation on WSP between Capex & Opex
1 01 0054 660	WARD PROJECTS - OPEX	265 000			Re-allocation on WSP between Capex & Opex
1 01 0053 660	WARD PROJECTS - OPEX	-100 000			Re-allocation on WSP between Capex & Opex
SEE LIST	SAVINGS ON SALARIES (7% to 6.79%) & OTHER CHANGES	-564 968	-3 580 076	-3 684 012	Saving on Salaries
SEE LIST	SAVINGS ON S57 EMPLOYEES	-62 435	-86 106	-112 748	Saving on Salaries
1 01 0016 028	AUDIT COSTS	500 000			Audit Fees adjustment
1 01 0019 054	INSURANCE	-300 000			Re-allocation between cost codes
1 01 0020 060	LEGAL FEES	300 000			Re-allocation between cost codes
1 01 0016 501	FMG	-566 000			Trf to Capex- Integrated Asset Management and Maintenance system
1 01 0016 502	MSIG	-934 000			Trf to Capex- Integrated Asset Management and Maintenance system
		161 997	**-2 396 835**	**-2 610 447**	

REVENUE

1 01 0213 879	PUBLIC CONTRIBUTION (cash)	-51 000			Public Contribution to Spaces 4 Sports Centre
1 01 0221 769	PUB CONTR:FRIEDRICH NAUMANN FOUND. FOR FREEDOM	-100 000			Public Contribution from Friedrich Naumann Foundation for Freedom
1 01 0095 225	DUPLICATING CHARGES	-800			Re-allocation between cost codes for Betty's Bay library
1 01 0095 227	FINES	-1 500			Re-allocation between cost codes for Betty's Bay library
1 01 0095 243	LOST BOOKS RECOVERD	-500			Re-allocation between cost codes for Betty's Bay library
1 01 0095 288	SUNDRY INCOME	-800			Re-allocation between cost codes for Betty's Bay library
1 01 0096 225	DUPLICATING CHARGES	800			Re-allocation between cost codes for Betty's Bay library
1 01 0096 227	FINES	1 500			Re-allocation between cost codes for Betty's Bay library
1 01 0096 243	LOST BOOKS RECOVERD	500			Re-allocation between cost codes for Betty's Bay library
1 01 0096 288	SUNDRY INCOME	800			Re-allocation between cost codes for Betty's Bay library
1 01 0428 767	ESKOM SOLAR REBATE	-1 083 088			Public Contribution roll-over- Eskom Solar Rebate
1 01 0016 701	FMG	566 000			Re-allocation between cost codes
1 01 0066 701	FMG	-566 000			Re-allocation between cost codes
1 01 0001 702	MSIG	934 000			Re-allocation between cost codes
1 01 0066 702	MSIG	-934 000			Re-allocation between cost codes
1 01 0299 748	COND REC:HOUSING ELUXOLWENI (211UNITS)	-183 000			Re-allocation between cost codes
1 01 0299 801	PROV GRANT: HOUSING	183 000			Re-allocation between cost codes
1 01 0299 801	PROV GRANT: HOUSING	2 316 171			Reduction due to accelerated spending in 2013/2014
		1 082 083	**0**	**0**	

FINAL BUDGET BOTTOMLINE	**48 746 638**	**56 557 346**	**69 592 447**	

CHANGES TO SALARY BUDGET

*** DECREASE FROM 7% TO 6.79%**	-432 993	
*** CHANGE FROM VD MERWE TO TASK SCALES**	-848 609	
*** NEW TASK LEVELS (WITH ALLOWANCES & PERKS)**	284 934	
***TEMPORARY WORKERS (AREA MANAGER HM)**	0	Not approved
*** ESSENTIAL USERS**	79 670	
*** INCREASE IN LIBRARY TEMPS TO PERMANENT**	550 000	
*** DECREASE IN SEASONAL WORKERS**	-197 968	
*** SAVINGS ON S57 EMPLOYEES**	-62 435	
	-627 401	

CAPEX

DRAFT CAPEX BOTTOMLINE	**92 972 346**	
PUBLIC CONTRIBUTION w.r.t the Spaces for Sports Centre	51 000	Public Contribution to Spaces 4 Sports Centre
ELECTRIFICATION OF HOUSING PROJECTS	4 670 571	Developers Contribution for Housing Projects
SWARTDAMWEG (Housing Re-allocation)	11 459	Re-allocation of Housing Funds
GANSBAAI PROJECT -155 SITES (Housing Re-allocation)	-2 510 630	Re-allocation of Housing Funds
UPGRADING OF SEWER PUMP STATIONS	1 000 000	Re-allocation between Capital Projects
REPLACEMENT OF WATER PIPES	-1 000 000	Re-allocation between Capital Projects
WARD PROJECTS- CAPEX	-255 000	Re-allocation on WSP between Capex & Opex
ESKOM SOLAR REBATE	1 083 088	Public Contribution- Eskom Solar Rebate
FMG- Integrated Asset Management and Maintenance system	566 000	Trf from Opex- Integrated Asset Management and Maintenance system
MSIG-Integrated Asset Management and Maintenance system	934 000	Trf from Opex- Integrated Asset Management and Maintenance system
Time & Attendance Devices	197 700	Finance Lease
	4 748 188	
	97 720 534	

TARIFF LIST IMPROVEMENTS AND AMENDMENTS FROM THE DRAFT BUDGET

1. Sundry

S1J4A	Kelp Collectors/Fishing Farming pm	2,171.06	2,475.00	1,973.68	2,250.00	10.00%
S1J4B	Kelp Collectors/Fishing Farming pa	21,681.58	24,717.00	19,710.53	22,470.00	10.00%
S1J4C	Kelp Collectors/Fishing Farming per launch	144.74	165.00	131.58	150.00	10.00%

Change to

S1J4A	Kelp Collectors pm	2,713.20	3,093.05	1,973.68	2,250.00	37.47%
S1J4B	Kelp Collectors pa	27,102.00	30,896.28	19,710.53	22,470.00	37.50%
S1J4C	Kelp Collectors per launch	175.44	200.00	131.58	150.00	33.33%

S1J7A	Sport/Commercial Fishing Overstrand consumers only pa	443.86	506.00	403.51	460.00	10.00%
S1J7B	Sport/Commercial Fishing non-consumers per launch	72.81	83.00	65.79	75.00	10.67%

Change to

S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW
S1J7A2	Recreational Fishing Vessels < 7m per Launch	52.63	60.00	NEW	NEW
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	526.32	600.00	NEW	NEW
S1J7A4	Recreational Fishing Vessels > 7m per Launch	65.79	75.00	NEW	NEW
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW
S1J7B2	Commercial Fishing Vessels > 7m pa	631.58	720.00	NEW	NEW
S1J7B3	Commercial Fishing Vessels > 7m per launch	74.56	85.00	NEW	NEW

Cemetery - Add S15A

Insert Explanation

Note	Grave Depths - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.

S15A1	All cemeteries - between 1.1 & 1.8 meter	474.56	541.00	412.28	470.00	15.11%
S15A2	All cemeteries - between 1.81 & 2.4 meter	736.84	840.00	561.40	640.00	31.25%
S15A3	Double grave next to each other	949.12	1,082.00	NEW	NEW	
S15A4	Children under 12years 1.5 meter	356.14	406.00	NEW	NEW	

Change to

S15A1	All cemeteries - single grave	474.56	541.00	412.28	470.00	15.11%
S15A2	All cemeteries - Double graves - depth for two coffins	736.84	840.00	561.40	640.00	31.25%
S15A3	Double grave next to each other	949.12	1,082.00	NEW	NEW	
S15A4	Children under 12years	356.14	406.00	NEW	NEW	

Library

Delete Tariff:

S28J	Use of Internet Per 30 minutes subject to Telkom Price Increases	12.28	14.00	11.40	13.00	7.72%

Library

S28A5	Copies: A4/Page	2.41	2.75	2.19	2.50	10.00%

Change to

S28A5	Copies: A4/Page	2.63	3.00	2.19	2.50	20.09%

S28L1	Hire of Library Hall per day - Fundraising event	109.65	125.00	NEW	NEW
S28L2	Hire of Library Hall per day - NON- Fundraising event	19.30	22.00	NEW	NEW

Change to

S28L1	Hire of Library Hall per Hour - Fundraising event	109.65	125.00	NEW	NEW
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	19.30	22.00	NEW	NEW

Property Administration

S34B1	Application for purchase / lease of Municipal Property (***excluding Sport Facilities/Stalls)***	1,929.83	2,200.00	1,754.39	2,000.00	10.00%

Add and organs of state

S34B1	Application for purchase / lease of Municipal Property (***excluding Sport Facilities/Stalls and organs of state***)	1,929.83	2,200.00	1,754.39	2,000.00	10.00%

Rentals: Community Halls

Add

S40A5	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00	New	New	
S40E7	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00	New	New	
S40J6	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00	New	New	

Adjust numbering of:

S40J6	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	212.28	242.00	192.98	220.00	10.00%
S40J7	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	19.30	22.00	17.54	20.00	10.00%
S40J8	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	96.49	110.00	87.72	100.00	10.00%
S40J9	Sound OR Lighting Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40J10	Use of kitchen (per event per day)	231.58	264.00	210.53	240.00	10.00%
S40J11	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	231.58	264.00	210.53	240.00	10.00%

To

S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	212.28	242.00	192.98	220.00	10.00%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	19.30	22.00	17.54	20.00	10.00%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	96.49	110.00	87.72	100.00	10.00%
S40J10	Sound OR Lighting Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40J11	Use of kitchen (per event per day)	231.58	264.00	210.53	240.00	10.00%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	231.58	264.00	210.53	240.00	10.00%

Add

S46A1	Rental per m² / pm (except the Hermanus area)	43.86	50.00	new	new
S46A2	NGO's/NPO's per m² / pm	26.32	30.00	new	new

New Tariff:

S49	RENTAL: UNDEVELOPED SERVICED ERVEN				
S49A	Wet core Stands – rent per month	26.32	30.00	new	new

2. Refuse (Solid Waste)

Add Line: Domestic Waste
Add Line: Business Waste

ANNEXURE B

A1 SCHEDULE & A2 BUDGET CHARTS

Municipal annual budgets and MTREF & supporting tables

Ve

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

Municipality Name:	WC032 Overstrand
CFO Name:	SANTIE REYNEKE-NAUDE
Tel:	028 3138040
Fax:	028 3138128
E-Mail:	cfo@overstrand.gov.za
Budget for MTREF starting:	2014
Budget Year:	2014/15
Does this municipality have Entities?	No
If YES: Identify type of report:	

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council	**Vote 1**	**Council**	
Vote 2 - Municipal Manager	1.1	Council General	1.1 - Council General
Vote 3 - Management Services	1.2	Mayor's Office	1.2 - Mayor's Office
Vote 4 - Finance	1.3	Pensioners & Continued Members	1.3 - Pensioners & Continued Members
Vote 5 - Community Services	**Vote 2**	**Municipal Manager**	
Vote 6 - Local Economic Development	2.1	Municipal Manager	2.1 - Municipal Manager
Vote 7 - Infrastructure & Planning	2.2	Internal Audit	2.2 - Internal Audit
Vote 8 - Protection Services	**Vote 3**	**Management Services**	
	3.1	Director: Management Services	3.1 - Director: Management Services
	3.2	Communication	3.2 - Communication
	3.3	Legal Services	3.3 - Legal Services
	3.4	Strategic Services	3.4 - Strategic Services
	3.5	Human Resources	3.5 - Human Resources
	3.6	Info & Communication Technology	3.6 - Info & Communication Technology
	3.7	Council Support Services	3.7 - Council Support Services
	3.8	Social Development	3.8 - Social Development
	3.9	Risk Management	3.9 - Risk Management
	3.10	Municipal Court	3.10 - Municipal Court
	Vote 4	**Finance**	
	4.1	Director: Finance	4.1 - Director: Finance
	4.2	Deputy Director: Finance	4.2 - Deputy Director: Finance
	4.3	Accounting Services	4.3 - Accounting Services
	4.4	Expenditure & Asset Management	4.4 - Expenditure & Asset Management
	4.5	Revenue	4.5 - Revenue
	4.6	Supply Chain Management	4.6 - Supply Chain Management
	4.7	Data Control	4.7 - Data Control
	4.8	Assessment Rates	4.8 - Assessment Rates
	Vote 5	**Community Services**	
	5.1	Director & Administration	5.1 - Director & Administration
	5.2	Offices & Community Buildings	5.2 - Offices & Community Buildings
	5.3	Parks & Townlands, Cemetries	5.3 - Parks & Townlands, Cemetries
	5.4	Libraries	5.4 - Libraries
	5.5	Sport & Recreation	5.5 - Sport & Recreation
	5.6	Housing	5.6 - Housing
	5.7	Roads & Stormwater	5.7 - Roads & Stormwater
	5.8	Water	5.8 - Water
	5.9	Sewerage	5.9 - Sewerage
	5.10	Refuse	5.10 - Refuse
	Vote 6	**Local Economic Development**	
	6.1	Director: Economic Development & Planning	6.1 - Director: Economic Development & Planning
	6.2	Tourism	6.2 - Tourism
	6.3	Parking Services	6.3 - Parking Services
	Vote 7	**Infrastructure & Planning**	
	7.1	Director: Infrastructure & Planning	7.1 - Director: Infrastructure & Planning
	7.2	Deputy Director:Engineering Planning	7.2 - Deputy Director:Engineering Planning
	7.3	Engineering Services	7.3 - Engineering Services
	7.4	Town Planning & Property Administration	7.4 - Town Planning & Property Administration
	7.5	Geographical Info System (GIS)	7.5 - Geographical Info System (GIS)
	7.6	Building Control Services	7.6 - Building Control Services
	7.7	Environmental Management Services	7.7 - Environmental Management Services
	7.8	Electricity	7.8 - Electricity
	7.9	Solid Waste Planning	7.9 - Solid Waste Planning
	7.10	Municipal Properties	7.10 - Property Admin
	Vote 8	**Protection Services**	
	8.1	Director: Protection Services	8.1 - Director: Protection Services
	8.2	Traffic	8.2 - Traffic
	8.3	Law Enforcement	8.3 - Law Enforcement
	8.4	Vehicle testing	8.4 - Licencing & Vehicle testing
	8.5	Fire Brigade/Disaster Management	8.5 - Fire Brigade
	8.6	Parking Services	8.6 - Parking Services

WC032 Overstrand - Contact Information

A. GENERAL INFORMATION

Municipality	**WC032 Overstrand**
Grade	3 *1 Grade in terms of the Remuneration of Public Office Bearers Act.*
Province	**WC WESTERN CAPE**
Web Address	**www.overstrand.gov.za**
e-mail Address	**bking@overstrand.gov.za**

B. CONTACT INFORMATION

Postal address:	
P.O. Box	P.O.BOX 20
City / Town	HERMANUS
Postal Code	7200
Street address	
Building	MUNICIPAL OFFICE
Street No. & Name	MAGNOLIA STREET
City / Town	HERMANUS
Postal Code	7200
General Contacts	
Telephone number	028 313 8000
Fax number	028 313 8128

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
Name	ANTON COETSEE	Name	RENE DU PLOOY
Telephone number	028 3138018	Telephone number	028 313 8002
Cell number	083 2835 237	Cell number	
Fax number	028 3138067	Fax number	028 313 8067
E-mail address	acoetsee@overstrand.gov.za	E-mail address	maycomsec@overstrand.gov.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
Name	NICOLETTE BOTHA -GUTHRIE	Name	ELIZE VERRIJ
Telephone number	028 3138011	Telephone number	028 3138058
Cell number	082 3766 265	Cell number	083 9255 404
Fax number	028 3138067	Fax number	028 3138067
E-mail address	nbotha-guthrie@overstrand.gov.za	E-mail address	everrij@overstrand.gov.za
Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
Name	PIETER SCHOLTZ	Name	RENE DU PLOOY
Telephone number	028 3138017	Telephone number	028 313 8002
Cell number	082 9288 869	Cell number	
Fax number	028 3138067	Fax number	028 313 8067
E-mail address	pscholtz@overstrand.gov.za	E-mail address	maycomsec@overstrand.gov.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
Name	COENIE GROENEWALD	Name	RENTIA PRETORIUS
Telephone number	028 3138003	Telephone number	028 3138909
Cell number	082 5529 555	Cell number	
Fax number	0865689726	Fax number	0865689726
E-mail address	cgroenewald@overstrand.gov.za	E-mail address	rpretorius@overstrand.gov.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
Name	SANTIE REYNEKE-NAUDE	Name	RITA LE ROUX
Telephone number	028 3138040	Telephone number	028 313 8074
Cell number	082 551 4499	Cell number	
Fax number	028 3138128	Fax number	028 313 8128
E-mail address	cfo@overstrand.gov.za	E-mail address	rleroux@overstrand.gov.za

Official responsible for submitting financial information	
Name	BERNARD KING
Telephone number	028 3138154
Cell number	
Fax number	028 313 8128
E-mail address	bking@overstrand.gov.za
Official responsible for submitting financial information	
Name	GEORGIA BUCCHIANERI
Telephone number	028 3138913
Cell number	
Fax number	028 313 8128
E-mail address	gbucchianeri@overstrand.gov.za
Official responsible for submitting financial information	
Name	VERONICA ALLEN
Telephone number	028 3138131
Cell number	
Fax number	028 313 8128
E-mail address	vallen@overstrand.gov.za

WC032 Overstrand - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance									
Property rates	**129 591**	109 838	117 235	127 921	127 921	127 921	149 690	159 127	166 656
Service charges	344 977	405 415	437 030	497 429	493 840	493 840	525 567	559 586	589 204
Investment revenue	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other own revenue	70 633	37 344	91 506	41 093	44 483	44 483	44 644	46 380	49 843
Total Revenue (excluding capital transfers and contributions)	607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Employee costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Materials and bulk purchases	159 923	181 251	157 458	171 947	171 645	171 645	186 739	203 201	216 790
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	141 337	182 396	172 397	208 825	212 733	212 733	198 469	238 040	258 926
Total Expenditure	643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Surplus/(Deficit)	(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Contributions recognised - capital & contributed assets	21 561	8 603	5 289	3 583	2 270	2 270	2 134	–	–
Surplus/(Deficit) after capital transfers & contributions	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Capital expenditure & funds sources									
Capital expenditure	**154 117**	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Transfers recognised - capital	**23 791**	54 833	53 809	36 028	36 034	36 034	35 234	39 487	31 388
Public contributions & donations	**4 966**	14 300	5 067	3 583	2 083	2 083	1 134	–	–
Borrowing	**86 942**	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Internally generated funds	**38 418**	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Total sources of capital funds	**154 117**	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Financial position									
Total current assets	**211 644**	230 033	198 535	183 501	192 260	192 260	197 146	204 860	218 360
Total non current assets	**3 144 498**	3 209 100	3 298 669	3 188 259	3 322 212	3 322 212	3 316 479	3 297 047	3 230 587
Total current liabilities	**129 879**	137 580	155 486	130 310	128 109	128 109	153 849	175 177	170 906
Total non current liabilities	**344 496**	452 301	483 973	527 115	527 115	527 115	549 267	572 772	593 655
Community wealth/Equity	**2 881 767**	2 849 252	2 857 746	2 714 336	2 859 249	2 859 249	2 810 509	2 753 958	2 684 385
Cash flows									
Net cash from (used) operating	**66 499**	98 981	75 915	71 124	92 664	92 664	80 014	73 943	30 172
Net cash from (used) investing	**(111 146)**	(151 774)	(146 949)	(115 209)	(125 609)	(125 609)	(103 533)	(91 765)	(46 287)
Net cash from (used) financing	**85 027**	109 489	28 482	36 973	33 204	33 204	27 163	22 787	19 553
Cash/cash equivalents at the year end	**70 004**	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Cash backing/surplus reconciliation									
Cash and investments available	**71 265**	132 391	95 744	100 786	100 786	100 786	110 257	120 839	129 960
Application of cash and investments	**3 437**	453	(1 315)	(9 124)	(23 994)	(23 994)	(18 596)	(2 421)	(17 759)
Balance - surplus (shortfall)	**67 829**	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Asset management									
Asset register summary (WDV)	**3 115 187**	3 181 234	3 285 964	3 171 806	3 266 260	3 266 260	3 251 467	3 226 430	3 194 898
Depreciation & asset impairment	**106 777**	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Renewal of Existing Assets	**–**	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Repairs and Maintenance	**58 239**	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027
Free services									
Cost of Free Basic Services provided	**29 547**	28 649	31 514	36 815	39 766	39 766	42 637	44 347	46 143
Revenue cost of free services provided	**58 418**	49 083	37 295	52 536	67 253	67 253	69 579	72 045	74 658
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	2	2	2	1	1	–
Refuse:	–	–	–	–	–	–	–	–	–

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Governance and administration	**215 943**	**167 928**	**231 849**	**193 558**	**194 804**	**194 804**	**231 071**	**253 526**	**267 382**
Executive and council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Budget and treasury office	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Corporate services	44 803	8 700	56 303	2 277	2 959	2 959	9 534	8 059	5 412
Community and public safety	**66 038**	**23 195**	**41 938**	**57 725**	**59 071**	**59 071**	**33 726**	**53 804**	**64 234**
Community and social services	1 736	2 574	2 990	2 078	2 507	2 507	2 402	3 600	6 766
Sport and recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
Public safety	9 337	10 048	12 541	12 393	12 343	12 343	13 184	13 093	14 079
Housing	48 848	3 965	18 645	31 705	31 675	31 675	8 576	27 243	28 969
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**14 932**	**12 963**	**18 567**	**25 383**	**29 769**	**29 769**	**13 939**	**7 721**	**9 314**
Planning and development	11 911	8 801	7 907	11 377	11 853	11 853	8 465	6 037	6 520
Road transport	2 691	3 863	10 595	13 938	17 608	17 608	5 397	1 600	2 700
Environmental protection	329	299	65	68	308	308	76	84	93
Trading services	**356 023**	**456 833**	**461 748**	**509 446**	**501 339**	**501 339**	**542 106**	**579 775**	**602 325**
Electricity	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
Water	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
Waste water management	53 541	79 550	68 756	67 584	64 927	64 927	72 155	77 967	75 459
Waste management	37 078	39 605	46 911	53 020	53 070	53 070	59 691	60 350	63 146
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure - Standard									
Governance and administration	**110 149**	**190 332**	**205 256**	**120 523**	**120 584**	**120 584**	**127 368**	**146 825**	**150 731**
Executive and council	38 862	58 811	67 621	64 562	65 843	65 843	66 867	75 471	79 697
Budget and treasury office	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Corporate services	24 905	82 842	86 284	31 236	28 053	28 053	35 998	38 524	40 490
Community and public safety	**83 864**	**124 992**	**83 226**	**122 599**	**123 182**	**123 182**	**113 536**	**130 898**	**149 270**
Community and social services	25 861	24 079	26 064	30 554	31 128	31 128	32 563	34 346	36 685
Sport and recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
Public safety	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Housing	7 681	54 294	4 258	26 754	26 352	26 352	9 554	20 473	31 629
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**111 966**	**116 245**	**112 994**	**135 645**	**132 471**	**132 471**	**139 514**	**147 044**	**153 028**
Planning and development	21 743	35 519	36 263	31 326	32 719	32 719	37 314	38 607	40 998
Road transport	83 509	75 715	71 107	96 482	91 710	91 710	95 166	101 024	104 103
Environmental protection	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
Trading services	**337 222**	**310 956**	**345 437**	**445 293**	**452 153**	**452 153**	**489 171**	**526 617**	**559 817**
Electricity	171 365	177 473	198 902	244 304	242 679	242 679	272 386	276 444	295 533
Water	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
Waste water management	43 147	42 466	45 945	60 149	64 341	64 341	67 138	74 952	79 130
Waste management	51 445	37 573	40 102	48 760	49 851	49 851	56 489	61 050	66 326
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Municipal governance and administration	**215 943**	**167 928**	**231 849**	**193 558**	**194 804**	**194 804**	**231 071**	**253 526**	**267 382**
Executive and council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Mayor and Council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Municipal Manager		–	–		–	–			
Budget and treasury office	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Corporate services	44 803	8 700	56 303	2 277	2 959	2 959	9 534	8 059	5 412
Human Resources	890	1 217	1 158	863	863	863	908	959	959
Information Technology		45	150		350	350	1 500		
Property Services	42 804	6 290	53 722		383	383			
Other Admin	1 109	1 148	1 273	1 414	1 363	1 363	7 126	7 100	4 453
Community and public safety	**66 038**	**23 195**	**41 938**	**57 725**	**59 071**	**59 071**	**33 726**	**53 804**	**64 234**
Community and social services	**1 736**	**2 574**	**2 990**	**2 078**	**2 507**	**2 507**	**2 402**	**3 600**	**6 766**
Libraries and Archives	151	230	129	122	334	334	118	114	114
Museums & Art Galleries etc					–	–			
Community halls and Facilities	1 435	2 153	2 692	1 793	2 011	2 011	2 099	3 283	6 511
Cemeteries & Crematoriums	150	191	169	163	163	163	185	203	142
Child Care									
Aged Care									
Other Community									
Other Social									
Sport and recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
Public safety	**9 337**	**10 048**	**12 541**	**12 393**	**12 343**	**12 343**	**13 184**	**13 093**	**14 079**
Police	101	119	115	108	108	108	42	42	42
Fire	141	228	307	150	150	150	250	250	250
Civil Defence					–	–			
Street Lighting					–	–			
Other	9 095	9 701	12 119	12 135	12 085	12 085	12 892	12 801	13 787
Housing	**48 848**	**3 965**	**18 645**	**31 705**	**31 675**	**31 675**	**8 576**	**27 243**	**28 969**
Health	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Clinics									
Ambulance									
Other									
Economic and environmental services	**14 932**	**12 963**	**18 567**	**25 383**	**29 769**	**29 769**	**13 939**	**7 721**	**9 314**
Planning and development	**11 911**	**8 801**	**7 907**	**11 377**	**11 853**	**11 853**	**8 465**	**6 037**	**6 520**
Economic Development/Planning	8 043	4 558	4 150	7 714	8 189	8 189	4 068	1 200	1 200
Town Planning/Building enforcement	3 868	4 243	3 757	3 663	3 663	3 663	4 397	4 837	5 320
Licensing & Regulation									
Road transport	**2 691**	**3 863**	**10 595**	**13 938**	**17 608**	**17 608**	**5 397**	**1 600**	**2 700**
Roads	2 691	3 863	10 595	13 938	17 608	17 608	5 397	1 600	2 700
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other									
Environmental protection	**329**	**299**	**65**	**68**	**308**	**308**	**76**	**84**	**93**
Pollution Control									
Biodiversity & Landscape	329	299	65	68	308	308	76	84	93
Other									
Trading services	**356 023**	**456 833**	**461 748**	**509 446**	**501 339**	**501 339**	**542 106**	**579 775**	**602 325**
Electricity	**189 093**	**229 488**	**249 503**	**289 279**	**289 279**	**289 279**	**313 388**	**335 388**	**352 135**
Electricity Distribution	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
Electricity Generation									
Water	**76 312**	**108 189**	**96 579**	**99 562**	**94 062**	**94 062**	**96 872**	**106 070**	**111 585**
Water Distribution	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
Water Storage									
Waste water management	**53 541**	**79 550**	**68 756**	**67 584**	**64 927**	**64 927**	**72 155**	**77 967**	**75 459**
Sewerage	50 769	78 665	64 291	67 584	64 927	64 927	71 055	68 597	72 359
Storm Water Management	2 772	885	4 465	0	0	0	1 100	9 370	3 100
Public Toilets									
Waste management	**37 078**	**39 605**	**46 911**	**53 020**	**53 070**	**53 070**	**59 691**	**60 350**	**63 146**
Solid Waste	37 078	39 605	46 911	53 020	53 070	53 070	59 691	60 350	63 146
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Air Transport									
Abattoirs									
Tourism									
Forestry									
Markets									
Total Revenue - Standard	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure - Standard									
Municipal governance and administration	**110 149**	**190 332**	**205 256**	**120 523**	**120 584**	**120 584**	**127 368**	**146 825**	**150 731**
Executive and council	38 862	58 811	67 621	64 562	65 843	65 843	66 867	75 471	79 697
Mayor and Council	37 983	55 939	64 378	64 021	65 325	65 325	66 289	74 911	79 088
Municipal Manager	879	2 872	3 243	541	518	518	579	560	609
Budget and treasury office	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Corporate services	24 905	82 842	86 284	31 236	28 053	28 053	35 998	38 524	40 490
Human Resources	3 188	8 288	8 333	1 790	1 636	1 636	3 696	4 375	4 714
Information Technology	3 540	12 282	10 698	2 839	1 042	1 042	4 590	4 837	5 005
Property Services	6 405	16 066	17 069	6 173	6 472	6 472	6 484	6 534	6 587
Other Admin	11 771	46 206	50 183	20 434	18 903	18 903	21 228	22 778	24 184
Community and public safety	**83 864**	**124 992**	**83 226**	**122 599**	**123 182**	**123 182**	**113 536**	**130 898**	**149 270**
Community and social services	**25 861**	**24 079**	**26 064**	**30 554**	**31 128**	**31 128**	**32 563**	**34 346**	**36 685**
Libraries and Archives	4 949	4 257	4 619	6 138	6 190	6 190	7 074	7 277	7 789
Museums & Art Galleries etc					–	–			
Community halls and Facilities	20 455	19 538	21 120	23 998	24 522	24 522	25 072	26 623	28 419
Cemeteries & Crematoriums	456	284	325	419	416	416	418	447	477
Child Care									
Aged Care									
Other Community									
Other Social									
Sport and recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
Public safety	**32 874**	**31 241**	**36 834**	**44 185**	**44 771**	**44 771**	**49 173**	**52 855**	**56 029**
Police	9 867	9 438	10 668	12 942	13 952	13 952	14 428	15 438	16 369
Fire	8 158	8 441	9 619	10 620	11 212	11 212	12 707	13 834	14 491
Civil Defence					–	–			
Street Lighting					–	–			
Other	14 849	13 361	16 547	20 623	19 607	19 607	22 038	23 583	25 170
Housing	**7 681**	**54 294**	**4 258**	**26 754**	**26 352**	**26 352**	**9 554**	**20 473**	**31 629**
Health	–	–	–	–	–	–	–	–	–
Clinics									
Ambulance									
Other									
Economic and environmental services	**111 966**	**116 245**	**112 994**	**135 645**	**132 471**	**132 471**	**139 514**	**147 044**	**153 028**
Planning and development	**21 743**	**35 519**	**36 263**	**31 326**	**32 719**	**32 719**	**37 314**	**38 607**	**40 998**
Economic Development/Planning	8 518	22 139	22 752	13 850	15 939	15 939	19 046	19 012	20 119
Town Planning/Building enforcement	13 224	13 380	13 511	17 476	16 780	16 780	18 267	19 595	20 879
Licensing & Regulation									
Road transport	**83 509**	**75 715**	**71 107**	**96 482**	**91 710**	**91 710**	**95 166**	**101 024**	**104 103**
Roads	83 509	75 715	71 107	96 482	91 710	91 710	95 166	101 024	104 103
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other									
Environmental protection	**6 714**	**5 011**	**5 624**	**7 837**	**8 042**	**8 042**	**7 035**	**7 412**	**7 927**
Pollution Control									
Biodiversity & Landscape	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
Other									
Trading services	**337 222**	**310 956**	**345 437**	**445 293**	**452 153**	**452 153**	**489 171**	**526 617**	**559 817**
Electricity	**171 365**	**177 473**	**198 902**	**244 304**	**242 679**	**242 679**	**272 386**	**276 444**	**295 533**
Electricity Distribution	171 365	177 473	198 902	244 304	242 679	242 679	272 386	276 444	295 533
Electricity Generation									
Water	**71 266**	**53 445**	**60 489**	**92 079**	**95 281**	**95 281**	**93 157**	**114 171**	**118 828**
Water Distribution	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
Water Storage									
Waste water management	**43 147**	**42 466**	**45 945**	**60 149**	**64 341**	**64 341**	**67 138**	**74 952**	**79 130**
Sewerage	38 624	38 378	41 545	54 041	57 977	57 977	58 197	65 625	69 378
Storm Water Management	4 523	4 088	4 400	6 108	5 953	5 953	8 548	8 916	9 315
Public Toilets					411	411	394	411	437
Waste management	**51 445**	**37 573**	**40 102**	**48 760**	**49 851**	**49 851**	**56 489**	**61 050**	**66 326**
Solid Waste	51 445	37 573	40 102	48 760	49 851	49 851	56 489	61 050	66 326
Other	–	–	–	–	–	–	–	–	–
Air Transport									
Abattoirs									
Tourism									
Forestry									
Markets									
Total Expenditure - Standard	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - Council	27 515	31 483	38 353	42 395	42 995	42 995	52 401	65 565	73 466
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	892	1 264	1 476	1 216	1 216	1 216	2 410	961	961
Vote 4 - Finance	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Vote 5 - Community Services	227 608	245 501	253 342	280 926	277 784	277 784	261 822	293 836	307 536
Vote 6 - Local Economic Development	7 520	2 817	3 750	5 214	6 431	6 431	2 968	1 200	1 200
Vote 7 - Infrastructure & Planning	236 438	242 061	307 447	295 950	295 442	295 442	318 962	340 309	357 549
Vote 8 - Protection Services	9 337	10 048	12 541	12 493	12 343	12 343	13 184	13 093	14 079
Total Revenue by Vote	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Council	31 350	55 945	64 385	56 809	62 399	62 399	63 289	67 543	71 596
Vote 2 - Municipal Manager	879	2 872	3 243	1 949	1 520	1 520	1 003	1 001	1 070
Vote 3 - Management Services	10 899	32 796	30 872	11 031	8 495	8 495	15 189	16 243	17 335
Vote 4 - Finance	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Vote 5 - Community Services	297 638	332 230	297 734	389 757	388 865	388 865	386 685	444 986	477 881
Vote 6 - Local Economic Development	3 068	5 845	7 716	8 303	10 397	10 397	11 140	10 714	11 334
Vote 7 - Infrastructure & Planning	220 110	232 916	254 779	287 299	285 253	285 253	318 607	325 210	347 058
Vote 8 - Protection Services	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Total Expenditure by Vote	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - Council	**27 515**	**31 483**	**38 353**	**42 395**	**42 995**	**42 995**	**52 401**	**65 565**	**73 466**
1.1 - Council General	27 515	31 483	38 353	42 395	42 995	42 995	52 401	65 565	73 466
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
Vote 2 - Municipal Manager	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Municipal Manager									
2.2 - Internal Audit									
Vote 3 - Management Services	**892**	**1 264**	**1 476**	**1 216**	**1 216**	**1 216**	**2 410**	**961**	**961**
3.1 - Director: Management Services	–	–	166						
3.2 - Communication	–	–	–						
3.3 - Legal Services	–	–	–						
3.4 - Strategic Services	–	–	–						
3.5 - Human Resources	890	1 217	1 158	863	863	863	908	959	959
3.6 - Info & Communication Technology	–	45	150	350	350	350	1 500		
3.7 - Council Support Services	2	2	3	3	3	3	2	2	2
3.8 - Social Development	–	–	–						
3.9 - Risk Management									
3.10 - Municipal Court									
Vote 4 - Finance	**143 626**	**127 745**	**137 194**	**147 919**	**148 772**	**148 772**	**169 095**	**179 861**	**188 464**
4.1 - Director: Finance	–	–	–		–	–			
4.2 - Deputy Director: Finance	–	1 250	1 250	1 300	2 100	2 100	884	1 500	1 700
4.3 - Accounting Services	4 705	6 881	8 047	7 718	7 771	7 771	6 166	6 210	6 255
4.4 - Expenditure & Asset Management	(71)	19	18	20	20	20	21	22	24
4.5 - Revenue	6 334	6 908	7 445	7 580	7 580	7 580	8 365	8 841	9 465
4.6 - Supply Chain Management	172	78	138	110	110	110	110	110	110
4.7 - Data Control	–	–	22		–	–			
4.8 - Assessment Rates	132 486	112 609	120 274	131 191	131 191	131 191	153 549	163 179	170 910
Vote 5 - Community Services	**227 608**	**245 501**	**253 342**	**280 926**	**277 784**	**277 784**	**261 822**	**293 836**	**307 536**
5.1 - Director & Administration	839	1 146	1 105	984	934	934	5 525	6 473	3 758
5.2 - Offices & Community Buildings	585	556	891	644	862	862	1 803	1 844	4 927
5.3 - Parks & Townlands, Cemetries	1 446	1 787	1 970	1 816	1 816	1 816	2 121	2 308	2 458
5.4 - Libraries	151	230	129	122	334	334	118	114	114
5.5 - Sport & Recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
5.6 - Housing	48 848	3 965	18 645	31 705	31 675	31 675	8 576	27 243	28 969
5.7 - Roads & Stormwater	5 464	4 748	15 060	13 938	17 609	17 609	6 498	10 970	5 800
5.8 - Water	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
5.9 - Sewerage	50 769	78 665	64 291	67 584	64 927	64 927	71 055	68 597	72 359
5.10 - Refuse	37 078	39 605	46 911	53 020	53 020	53 020	59 691	60 350	63 146
Vote 6 - Local Economic Development	**7 520**	**2 817**	**3 750**	**5 214**	**6 431**	**6 431**	**2 968**	**1 200**	**1 200**
6.1 - Director: Economic Development & Planning	7 520	2 817	3 750	5 214	5 207	5 207	1 768		
6.2 - Tourism	–	–	–		–	–			
6.3 - Parking Services	–	–	–		1 224	1 224	1 200	1 200	1 200
Vote 7 - Infrastructure & Planning	**236 438**	**242 061**	**307 447**	**295 950**	**295 442**	**295 442**	**318 962**	**340 309**	**357 549**
7.1 - Director: Infrastructure & Planning	–	–	–	2 500	1 000	1 000			
7.2 - Deputy Director:Engineering Planning	339	1 741	400	440	759	759	1 100		
7.3 - Engineering Services	–	–	–		–	–			
7.4 - Town Planning & Property Administration	749	758	794	680	680	680	803	884	972
7.5 - Geographical Info System (GIS)	–	–	–		–	–			
7.6 - Building Control Services	3 119	3 486	2 963	2 983	2 983	2 983	3 594	3 953	4 349
7.7 - Environmental Management Services	329	299	65	68	308	308	76	84	93
7.8 - Electricity	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
7.9 - Solid Waste Planning	6	–	–		50	50			
7.10 - Property Admin	42 804	6 290	53 722		383	383			
Vote 8 - Protection Services	**9 337**	**10 048**	**12 541**	**12 493**	**12 343**	**12 343**	**13 184**	**13 093**	**14 079**
8.1 - Director: Protection Services	–	–	50	100	100	100			
8.2 - Traffic	9 095	9 701	10 957	10 535	11 985	11 985	12 892	12 801	13 787
8.3 - Law Enforcement	101	119	115	108	108	108	42	42	42
8.4 - Licencing & Vehicle testing	–	–	–		–	–			
8.5 - Fire Brigade	141	228	307	150	150	150	250	250	250
8.6 - Parking Services	–	–	1 112	1 600	0	0			
Total Revenue by Vote	**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure by Vote									
Vote 1 - Council	**31 350**	**55 945**	**64 385**	**56 809**	**62 399**	**62 399**	**63 289**	**67 543**	**71 596**
1.1 - Council General	31 258	54 911	63 356	56 815	62 289	62 289	62 915	67 137	71 159
1.2 - Mayor's Office	86	1 028	1 022	(14)	102	102	365	398	428
1.3 - Pensioners & Continued Members	6	6	7	8	8	8	8	9	10
Vote 2 - Municipal Manager	**879**	**2 872**	**3 243**	**1 949**	**1 520**	**1 520**	**1 003**	**1 001**	**1 070**
2.1 - Municipal Manager	605	1 897	1 834	541	518	518	579	560	609
2.2 - Internal Audit	274	974	1 409	1 408	1 003	1 003	424	442	461
Vote 3 - Management Services	**10 899**	**32 796**	**30 872**	**11 031**	**8 495**	**8 495**	**15 189**	**16 243**	**17 335**
3.1 - Director: Management Services	1 104	5 081	4 440	1 919	973	973	444	990	1 136
3.2 - Communication	871	2 218	2 280	1 194	832	832	1 234	1 227	1 324
3.3 - Legal Services	232	840	1 358	888	987	987	806	714	800
3.4 - Strategic Services	1 053	1 699	1 084	109	302	302	394	416	449
3.5 - Human Resources	3 188	8 288	8 333	1 790	1 636	1 636	3 696	4 375	4 714
3.6 - Info & Communication Technology	3 540	12 282	10 698	2 839	1 042	1 042	4 590	4 837	5 005
3.7 - Council Support Services	910	2 387	2 679	1 100	1 090	1 090	987	1 060	1 153
3.8 - Social Development	–	–	–	1 192	939	939	1 153	1 424	1 499
3.9 - Risk Management					167	167	543	571	596
3.10 - Municipal Court					526	526	1 342	629	658
Vote 4 - Finance	**46 383**	**48 679**	**51 351**	**24 726**	**26 688**	**26 688**	**24 503**	**32 830**	**30 544**
4.1 - Director: Finance	933	1 515	1 715	674	665	665	594	634	684
4.2 - Deputy Director: Finance	–	2 005	4 385	3 427	5 480	5 480	2 217	3 347	3 651
4.3 - Accounting Services	4 534	6 205	3 561	(507)	299	299	1 503	1 557	1 667
4.4 - Expenditure & Asset Management	2 148	6 951	7 654	3 558	2 858	2 858	1 989	3 191	3 385
4.5 - Revenue	1 998	19 209	20 837	8 457	8 202	8 202	7 423	7 700	8 554
4.6 - Supply Chain Management	3 032	5 924	7 233	2 643	2 834	2 834	2 775	2 939	3 096
4.7 - Data Control	322	356	518	362	363	363	241	246	273
4.8 - Assessment Rates	33 417	6 514	5 449	6 113	5 986	5 986	7 760	13 216	9 233
Vote 5 - Community Services	**297 638**	**332 230**	**297 734**	**389 757**	**388 865**	**388 865**	**386 685**	**444 986**	**477 881**
5.1 - Director & Administration	14 487	33 974	38 336	20 052	14 291	14 291	16 241	21 828	22 866
5.2 - Offices & Community Buildings	6 042	5 879	6 529	4 333	5 788	5 788	4 816	5 247	5 405
5.3 - Parks & Townlands, Cemetries	15 356	13 943	14 915	19 862	19 869	19 869	21 333	22 668	24 224
5.4 - Libraries	4 949	4 257	4 619	6 138	6 190	6 190	7 074	7 277	7 789
5.5 - Sport & Recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
5.6 - Housing	7 681	54 294	4 258	26 754	26 352	26 352	9 554	20 473	31 629
5.7 - Roads & Stormwater	88 032	79 802	75 507	102 590	97 331	97 331	101 919	108 889	112 298
5.8 - Water	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
5.9 - Sewerage	38 624	38 378	41 545	54 041	58 389	58 389	59 390	66 036	69 815
5.10 - Refuse	33 753	32 880	35 466	42 803	44 445	44 445	50 955	55 175	60 100
Vote 6 - Local Economic Development	**3 068**	**5 845**	**7 716**	**8 303**	**10 397**	**10 397**	**11 140**	**10 714**	**11 334**
6.1 - Director: Economic Development & Planning	3 068	5 845	4 714	4 617	4 991	4 991	4 853	3 639	3 862
6.2 - Tourism	–	–	3 002	3 686	3 654	3 654	3 752	4 322	4 532
6.3 - Parking Services	–	–	–		1 752	1 752	2 534	2 754	2 940
Vote 7 - Infrastructure & Planning	**220 110**	**232 916**	**254 779**	**287 299**	**285 253**	**285 253**	**318 607**	**325 210**	**347 058**
7.1 - Director: Infrastructure & Planning	526	2 137	2 781	717	428	428	1 220	1 318	1 398
7.2 - Deputy Director:Engineering Planning	2 906	11 223	9 124	2 636	2 903	2 903	4 424	4 568	4 855
7.3 - Engineering Services	212	1 894	2 003	1 581	1 600	1 600	1 577	1 673	1 741
7.4 - Town Planning & Property Administration	8 663	9 268	9 484	12 050	11 698	11 698	12 970	13 869	14 776
7.5 - Geographical Info System (GIS)	1 066	1 040	1 128	610	610	610	686	740	791
7.6 - Building Control Services	4 561	4 113	4 027	5 431	5 082	5 082	5 297	5 726	6 102
7.7 - Environmental Management Services	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
7.8 - Electricity	171 365	177 473	198 902	244 306	243 011	243 011	273 381	277 495	296 653
7.9 - Solid Waste Planning	17 691	4 693	4 636	5 957	5 406	5 406	5 534	5 875	6 226
7.10 - Property Admin	6 405	16 066	17 069	6 173	6 472	6 472	6 484	6 534	6 587
Vote 8 - Protection Services	**32 874**	**31 241**	**36 834**	**44 185**	**44 771**	**44 771**	**49 173**	**52 855**	**56 029**
8.1 - Director: Protection Services	1 258	1 336	1 516	1 309	807	807	1 600	1 682	1 795
8.2 - Traffic	13 002	11 806	13 427	17 018	18 448	18 448	20 115	21 562	23 012
8.3 - Law Enforcement	9 867	9 438	10 668	12 942	13 952	13 952	14 428	15 438	16 369
8.4 - Licencing & Vehicle testing	589	219	178	355	352	352	324	340	362
8.5 - Fire Brigade	8 158	8 441	9 619	10 620	11 212	11 212	12 707	13 834	14 491
8.6 - Parking Services	–	–	1 426	1 941					
Total Expenditure by Vote	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	128 737	108 913	116 321	126 921	126 921	126 921	148 640	158 025	165 498
Property rates - penalties & collection charges	853	925	914	1 000	1 000	1 000	1 050	1 103	1 158
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - refuse revenue	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - other									
Rental of facilities and equipment	6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Interest earned - external investments	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Interest earned - outstanding debtors	2 463	2 331	2 199	2 204	2 204	2 204	2 288	2 234	2 322
Dividends received					–	–	–	–	–
Fines	5 469	5 278	6 644	6 079	7 529	7 529	7 965	7 378	7 817
Licences and permits	1 711	1 786	1 968	2 046	2 046	2 046	2 229	2 447	2 686
Agency services	1 790	1 912	2 025	2 250	2 255	2 255	2 480	2 727	3 000
Transfers recognised - operational	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Other revenue	39 497	17 375	71 461	19 963	21 516	21 516	21 717	22 855	24 404
Gains on disposal of PPE	13 171	1 920			383	383			
Total Revenue (excluding capital transfers and contributions)	**607 290**	**597 482**	**695 005**	**742 541**	**743 363**	**743 363**	**784 474**	**855 339**	**911 867**
Expenditure By Type									
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Debt impairment	4 806	28	934						
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other materials	58 239	54 582	12 437	15 055	14 752	14 752	17 295	20 201	19 151
Contracted services	20 253	24 079	67 601	74 909	76 844	76 844	81 062	95 248	100 837
Transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 407	142 792	158 088
Loss on disposal of PPE			1 756						
Total Expenditure	**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**(35 911)**	**(145 043)**	**(51 909)**	**(81 518)**	**(85 026)**	**(85 026)**	**(85 115)**	**(96 044)**	**(100 980)**
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Contributions recognised - capital	21 561	8 603	5 289	3 583	1 083	1 083	2 134	–	–
Contributed assets					**1 187**	**1 187**			
Surplus/(Deficit) after capital transfers & contributions	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Taxation									
Surplus/(Deficit) after taxation	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**9 735**	**(81 607)**	**7 189**	**(37 947)**	**(43 407)**	**(43 407)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote									
Multi-year expenditure ***to be appropriated***									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	90 266	119 308	110 111	68 764	83 280	83 280	76 938	66 662	57 618
Vote 6 - Local Economic Development	6 973	–	945	–	–	–	–	–	–
Vote 7 - Infrastructure & Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500
Vote 8 - Protection Services	19	645	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Capital Expenditure - Standard									
Governance and administration	**28 713**	**24 047**	**7 154**	**9 977**	**11 301**	**11 301**	**16 815**	**2 675**	**7 730**
Executive and council									
Budget and treasury office									
Corporate services	28 713	24 047	7 154	9 977	11 301	11 301	16 815	2 675	7 730
Community and public safety	**8 880**	**3 319**	**7 268**	**16 405**	**20 498**	**20 498**	**21 205**	**18 839**	**13 800**
Community and social services		327	4 666		3 652	3 652	5 635		
Sport and recreation	1 743	1 531	2 601	5 225	5 696	5 696	3 090	2 939	6 800
Public safety	19	645	–		–	–			
Housing	7 118	817	–	11 180	11 150	11 150	12 480	15 900	7 000
Health									
Economic and environmental services	**27 896**	**8 340**	**25 552**	**17 870**	**16 228**	**16 228**	**5 400**	**4 900**	**4 000**
Planning and development	6 973	2 864	945						
Road transport	20 923	5 477	24 607	17 870	16 228	16 228	5 400	4 900	4 000
Environmental protection									
Trading services	**88 628**	**127 569**	**103 790**	**65 644**	**78 455**	**78 455**	**54 300**	**59 748**	**54 588**
Electricity	32 411	30 061	26 768	37 194	39 229	39 229	17 000	18 500	18 500
Water	34 053	57 384	50 766	15 900	23 832	23 832	12 800	26 594	26 488
Waste water management	20 304	39 927	20 728	11 150	12 353	12 353	14 300	14 654	9 600
Waste management	1 859	196	5 528	1 400	3 041	3 041	10 200		
Other									
Total Capital Expenditure - Standard	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Funded by:									
National Government	17 443	40 212	36 911	22 355	22 105	22 105	24 174	23 587	24 388
Provincial Government	6 348	14 621	16 898	13 673	13 742	13 742	10 060	15 900	7 000
District Municipality					–	–			
Other transfers and grants					187	187	1 000		
Transfers recognised - capital	**23 791**	**54 833**	**53 809**	**36 028**	**36 034**	**36 034**	**35 234**	**39 487**	**31 388**
Public contributions & donations	4 966	14 300	5 067	3 583	2 083	2 083	1 134		
Borrowing	86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Internally generated funds	38 418	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Total Capital Funding	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - Council	–	–	–	–	–	–	–	–	–
1.1 - Council General							–	–	–
1.2 - Mayor's Office							–	–	–
1.3 - Pensioners & Continued Members							–	–	–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–
2.1 - Municipal Manager							–	–	–
2.2 - Internal Audit							–	–	–
Vote 3 - Management Services	**1 748**	**928**	**1 274**	**1 439**	**1 869**	**1 869**	**2 548**	–	–
3.1 - Director: Management Services							–	–	–
3.2 - Communication							–	–	–
3.3 - Legal Services							–	–	–
3.4 - Strategic Services							–	–	–
3.5 - Human Resources							–	–	–
3.6 - Info & Communication Technology	1 748	928	1 274	1 439	1 869	1 869	**2 548**	–	–
3.7 - Council Support Services							–	–	–
3.8 - Social Development							–	–	–
3.9 - Risk Management							–	–	–
3.10 - Municipal Court							–	–	–
Vote 4 - Finance	–	–	–	–	–	–	–	–	–
4.1 - Director: Finance							–	–	–
4.2 - Deputy Director: Finance							–	–	–
4.3 - Accounting Services							–	–	–
4.4 - Expenditure & Asset Management							–	–	–
4.5 - Revenue							–	–	–
4.6 - Supply Chain Management							–	–	–
4.7 - Data Control							–	–	–
4.8 - Assessment Rates							–	–	–
Vote 5 - Community Services	**90 266**	**119 308**	**110 111**	**68 764**	**83 280**	**83 280**	**76 938**	**66 662**	**57 618**
5.1 - Director & Administration	4 265	10 786	5 880	6 038	10 980	10 980	**16 667**	**1 675**	**3 730**
5.2 - Offices & Community Buildings					–	–	–	–	–
5.3 - Parks & Townlands, Cemetries					–	–	–	–	–
5.4 - Libraries					–	–	**2 000**	–	–
5.5 - Sport & Recreation	1 743	5 538	2 601	5 225	5 696	5 696	**3 090**	**2 939**	**6 800**
5.6 - Housing	7 118	–	–	11 180	11 150	11 150	**12 480**	**15 900**	**7 000**
5.7 - Roads & Stormwater	26 085	12 754	30 715	17 870	16 428	16 428	**6 200**	**6 900**	**5 000**
5.8 - Water	34 053	57 384	50 766	15 900	23 832	23 832	**12 800**	**26 594**	**26 488**
5.9 - Sewerage	15 142	32 650	14 621	11 150	12 153	12 153	**13 500**	**12 654**	**8 600**
5.10 - Refuse	1 859	196	5 528	1 400	3 041	3 041	**10 200**	–	–
Vote 6 - Local Economic Development	**6 973**	–	**945**	–	–	–	–	–	–
6.1 - Director: Economic Development & Planning	6 973	–	945				–	–	–
6.2 - Tourism							–	–	–
6.3 - Parking Services							–	–	–
Vote 7 - Infrastructure & Planning	**55 111**	**42 394**	**31 434**	**39 694**	**41 333**	**41 333**	**18 235**	**19 500**	**22 500**
7.1 - Director: Infrastructure & Planning					–	–	–	–	–
7.2 - Deputy Director:Engineering Planning					–	–	–	–	–
7.3 - Engineering Services					–	–	–	–	–
7.4 - Town Planning & Property Administration					–	–	–	–	–
7.5 - Geographical Info System (GIS)					–	–	–	–	–
7.6 - Building Control Services					–	–	–	–	–
7.7 - Environmental Management Services					–	–	–	–	–
7.8 - Electricity	32 411	30 061	26 768	37 194	39 229	39 229	**17 000**	**18 500**	**18 500**
7.9 - Solid Waste Planning					–	–	–	–	–
7.10 - Property Admin	22 700	12 332	4 666	2 500	2 104	2 104	**1 235**	**1 000**	**4 000**
Vote 8 - Protection Services	**19**	**645**	–	–	–	–	–	–	–
8.1 - Director: Protection Services	19	645	–				–	–	–
8.2 - Traffic							–	–	–
8.3 - Law Enforcement							–	–	–
8.4 - Licencing & Vehicle testing							–	–	–
8.5 - Fire Brigade							–	–	–
8.6 - Parking Services							–	–	–
Capital multi-year expenditure sub-total	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
Total Capital Expenditure	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	20 004	51 699	29 106	84 406	84 406	84 406	88 050	93 014	96 452
Call investment deposits	50 000	75 000	55 042	–	–	–	–	–	–
Consumer debtors	44 422	50 361	49 080	50 826	50 826	50 826	52 591	53 446	53 828
Other debtors	45 628	36 501	46 353	40 769	45 386	45 386	44 398	45 802	54 962
Current portion of long-term receivables	24	25	17	14	14	14	14	12	10
Inventory	51 567	16 446	18 937	7 486	11 628	11 628	12 092	12 585	13 108
Total current assets	**211 644**	**230 033**	**198 535**	**183 501**	**192 260**	**192 260**	**197 146**	**204 860**	**218 360**
Non current assets									
Long-term receivables	147	126	84	73	73	73	57	45	33
Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Investment property	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Investment in Associate									
Property, plant and equipment	3 024 361	3 073 014	3 105 649	3 080 474	3 085 945	3 085 945	3 072 423	3 047 758	3 015 499
Agricultural									
Biological									
Intangible	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
Other non-current assets	27 902	22 049	1 025	–	39 500	39 500	39 500	39 500	–
Total non current assets	**3 144 498**	**3 209 100**	**3 298 669**	**3 188 259**	**3 322 212**	**3 322 212**	**3 316 479**	**3 297 047**	**3 230 587**
TOTAL ASSETS	**3 356 142**	**3 439 132**	**3 497 204**	**3 371 760**	**3 514 472**	**3 514 472**	**3 513 625**	**3 501 907**	**3 448 947**
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	14 218	16 798	18 241	20 623	20 623	20 623	25 105	28 542	31 528
Consumer deposits	18 363	31 206	34 932	38 618	38 618	38 618	41 321	44 214	47 309
Trade and other payables	90 828	67 728	74 643	64 237	62 036	62 036	55 831	68 465	55 956
Provisions	6 471	21 847	27 670	6 831	6 831	6 831	31 592	33 956	36 113
Total current liabilities	**129 879**	**137 580**	**155 486**	**130 310**	**128 109**	**128 109**	**153 849**	**175 177**	**170 906**
Non current liabilities									
Borrowing	247 081	341 204	364 654	391 789	391 789	391 789	411 766	428 224	441 696
Provisions	97 414	111 097	119 319	135 325	135 325	135 325	137 501	144 548	151 960
Total non current liabilities	**344 496**	**452 301**	**483 973**	**527 115**	**527 115**	**527 115**	**549 267**	**572 772**	**593 655**
TOTAL LIABILITIES	**474 375**	**589 880**	**639 459**	**657 425**	**655 224**	**655 224**	**703 116**	**747 949**	**764 562**
NET ASSETS	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 564 679	2 847 332	2 855 854	2 397 233	2 857 322	2 857 322	2 808 575	2 752 018	2 682 425
Reserves	317 089	1 920	1 891	317 103	1 927	1 927	1 934	1 941	1 960
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**

WC032 Overstrand - Table A7 Budgeted Cash Flows

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	522 926	577 470	591 940	652 431	708 215	708 215	716 842	760 607	793 858
Government - operating	64 071	37 750	44 908	68 984	70 101	70 101	58 407	84 037	99 909
Government - capital	26 431	54 833	53 809	42 971	41 620	41 620	36 368	39 487	31 388
Interest	6 168	9 211	9 752	9 918	9 222	9 222	8 454	8 443	8 577
Dividends									
Payments									
Suppliers and employees	(510 106)	(520 159)	(551 464)	(622 122)	(654 985)	(654 985)	(653 525)	(727 095)	(807 344)
Finance charges	(19 373)	(31 669)	(37 174)	(42 292)	(42 292)	(42 292)	(45 162)	(47 472)	(49 508)
Transfers and Grants	(23 620)	(28 454)	(35 856)	(38 766)	(39 217)	(39 217)	(41 370)	(44 065)	(46 708)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**66 499**	**98 981**	**75 915**	**71 124**	**92 664**	**92 664**	**80 014**	**73 943**	**30 172**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	23 447	13 722	1 725	–	4 617	4 617			
Decrease (Increase) in non-current debtors	17 137	2 189	–	–	1 025	1 025	–	–	39 500
Decrease (increase) other non-current receivables	29	20	50	48	14	14	15	14	14
Decrease (increase) in non-current investments	(1 262)	(4 430)	(4 960)	(5 359)	(4 783)	(4 783)	(5 827)	(5 618)	(5 683)
Payments									
Capital assets	(150 497)	(163 275)	(143 764)	(109 897)	(126 482)	(126 482)	(97 721)	(86 162)	(80 118)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(111 146)**	**(151 774)**	**(146 949)**	**(115 209)**	**(125 609)**	**(125 609)**	**(103 533)**	**(91 765)**	**(46 287)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	940	(389)	–	–	–	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	90 000	110 000	38 700	51 300	51 300	51 300	40 000	45 000	45 000
Increase (decrease) in consumer deposits	4 469	12 844	3 726	3 704	3 686	3 686	2 703	2 893	3 095
Payments									
Repayment of borrowing	(9 442)	(14 295)	(13 554)	(18 032)	(21 783)	(21 783)	(21 061)	(23 929)	(27 220)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**85 027**	**109 489**	**28 482**	**36 973**	**33 204**	**33 204**	**27 163**	**22 787**	**19 553**
NET INCREASE/ (DECREASE) IN CASH HELD	**40 380**	**56 696**	**(42 552)**	**(7 112)**	**259**	**259**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the year begin:	**29 623**	**70 004**	**126 699**	**91 518**	**84 147**	**84 147**	**84 406**	**88 050**	**93 014**
Cash/cash equivalents at the year end:	**70 004**	**126 699**	**84 147**	**84 406**	**84 406**	**84 406**	**88 050**	**93 014**	**96 452**

WC032 Overstrand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Other current investments > 90 days	0	0	–	–	–	–	–	–	–
Non current assets - Investments	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Cash and investments available:	**71 265**	**132 391**	**95 744**	**100 786**	**100 786**	**100 786**	**110 257**	**120 839**	**129 960**
Application of cash and investments									
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
Unspent borrowing	–	18 255	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	(7 780)	(28 049)	(20 695)	(25 504)	(40 374)	(40 374)	(40 803)	(30 246)	(51 267)
Other provisions									
Long term investments committed	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Reserves to be backed by cash/investments									
Total Application of cash and investments:	**3 437**	**453**	**(1 315)**	**(9 124)**	**(23 994)**	**(23 994)**	**(18 596)**	**(2 421)**	**(17 759)**
Surplus(shortfall)	**67 829**	**131 938**	**97 059**	**109 910**	**124 780**	**124 780**	**128 853**	**123 260**	**147 718**

WC032 Overstrand - Table A9 Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE									
Total New Assets	**154 117**	**163 275**	**139 617**	**70 731**	**77 825**	**77 825**	**69 581**	**51 823**	**49 918**
Infrastructure - Road transport	20 923	12 754	15 578	9 160	9 360	9 360	800	2 000	1 000
Infrastructure - Electricity	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Infrastructure - Water	34 053	57 384	48 634	7 300	8 392	8 392	–	5 094	12 488
Infrastructure - Sanitation	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 252*	*50 904*	*55 858*	*55 858*	*34 500*	*31 248*	*28 388*
Community	17 814	6 183	20 997	13 189	13 609	13 609	18 266	17 900	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	9 038	6 638	8 358	8 358	16 815	2 675	7 730
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	118	928	1 330	–	–	–	–	–	–
Total Renewal of Existing Assets	**–**	**–**	**4 147**	**39 166**	**48 657**	**48 657**	**28 139**	**34 339**	**30 200**
Infrastructure - Road transport	–	–	131	8 710	7 069	7 069	5 400	4 900	4 000
Infrastructure - Electricity	–	–	–	13 300	13 344	13 344	3 100	7 000	9 200
Infrastructure - Water	–	–	–	8 600	15 440	15 440	12 800	21 500	14 000
Infrastructure - Sanitation	–	–	–	2 000	2 974	2 974	3 900	–	3 000
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	*131*	*32 610*	*38 826*	*38 826*	*25 200*	*33 400*	*30 200*
Community	–	–	756	5 716	8 992	8 992	2 939	939	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	3 260	–	–	–	–	–	–
Intangibles	–	–	–	839	839	839	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	20 923	12 754	15 709	17 870	16 428	16 428	6 200	6 900	5 000
Infrastructure - Electricity	32 411	30 061	22 203	37 194	39 229	39 229	17 000	18 500	18 500
Infrastructure - Water	34 053	57 384	48 634	15 900	23 832	23 832	12 800	26 594	26 488
Infrastructure - Sanitation	15 142	32 650	16 478	11 150	12 153	12 153	13 500	12 654	8 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Infrastructure	*104 389*	*133 045*	*108 383*	*83 514*	*94 684*	*94 684*	*59 700*	*64 648*	*58 588*
Community	17 814	6 183	21 753	18 905	22 602	22 602	21 205	18 839	13 800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	31 796	23 118	12 298	6 638	8 358	8 358	16 815	2 675	7 730
Intangibles	118	928	1 330	839	839	839	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	969 647	946 061	946 309	809 135	931 864	931 864	906 551	881 740	854 553
Infrastructure - Electricity	601 522	600 736	608 753	632 360	626 333	626 333	620 545	616 022	611 097
Infrastructure - Water	378 195	419 500	454 017	478 605	460 425	460 425	453 857	459 080	463 823
Infrastructure - Sanitation	358 175	379 653	380 883	375 354	378 909	378 909	376 342	373 752	366 863
Infrastructure - Other	39 146	37 051	39 059	129 996	50 193	50 193	70 579	83 872	91 210
Infrastructure	*2 346 686*	*2 383 001*	*2 429 021*	*2 425 450*	*2 447 724*	*2 447 724*	*2 427 874*	*2 414 466*	*2 387 546*
Community	80 184	81 364	78 567	115 505	83 092	83 092	85 009	82 935	84 723
Heritage assets	76 995	108 552	99 322	76 995	99 322	99 322	99 322	99 322	99 322
Investment properties	87 989	104 673	175 866	87 289	175 866	175 866	175 866	175 866	175 866
Other assets	520 495	500 097	498 740	462 523	455 806	455 806	456 970	447 787	441 759
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	2 838	3 547	4 449	4 043	4 449	4 449	6 426	6 053	5 681
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**3 115 187**	**3 181 234**	**3 285 964**	**3 171 806**	**3 266 260**	**3 266 260**	**3 251 467**	**3 226 430**	**3 194 898**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750
Repairs and Maintenance by Asset Class	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Infrastructure	*38 271*	*43 120*	*87 048*	*135 022*	*131 381*	*131 381*	*136 752*	*155 760*	*162 666*
Community	3 574	6 012	5 408	8 252	8 749	8 749	9 298	10 114	11 373
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	199	270	–	–	–	–	–	–	–
Other assets	16 195	15 443	21 958	20 086	14 666	14 666	16 218	21 086	21 989
TOTAL EXPENDITURE OTHER ITEMS	**165 016**	**168 886**	**219 694**	**267 170**	**256 865**	**256 865**	**271 533**	**298 159**	**308 777**
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*2.9%*	*35.6%*	*38.5%*	*38.5%*	*28.8%*	*39.9%*	*37.7%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*3.9%*	*37.7%*	*47.7%*	*47.7%*	*25.8%*	*30.9%*	*26.8%*
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
Renewal and R&M as a % of PPE	*2.0%*	*2.0%*	*4.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*7.0%*	*7.0%*

WC032 Overstrand - Table A10 Basic service delivery measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	26 632	26 813	27 833	27 400	27 957	27 957	28 100	28 300	28 600
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	3 671	3 449	3 776	3 400	3 406	3 406	3 350	3 300	3 250
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	18 679	19 082	20 354	19 620	19 975	19 975	20 030	20 125	20 290
Flush toilet (with septic tank)	11 624	11 180	11 255	11 180	11 388	11 388	11 420	11 475	11 560
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	30 303	30 262	31 609	30 800	31 363	31 363	31 450	31 600	31 850
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**30 303**	**30 262**	**31 609**	**30 800**	**31 363**	**31 363**	**31 450**	**31 600**	**31 850**
Energy:									
Electricity (at least min.service level)	12 500	10 500	9 500	9 000	9 000	9 000	8 700	8 400	8 000
Electricity - prepaid (min.service level)	12 300	14 700	16 100	16 900	16 900	16 900	17 700	18 500	19 300
Minimum Service Level and Above sub-total	24 800	25 200	25 600	25 900	25 900	25 900	26 400	26 900	27 300
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)				1 870	1 600	1 600	1 000	500	
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	1 870	1 600	1 600	1 000	500	–
Total number of households	**24 800**	**25 200**	**25 600**	**27 770**	**27 500**	**27 500**	**27 400**	**27 400**	**27 300**
Refuse:									
Removed at least once a week	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Minimum Service Level and Above sub-total	31 357	31 373	31 739	31 800	31 800	31 800	32 691	33 671	34 681
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**31 357**	**31 373**	**31 739**	**31 800**	**31 800**	**31 800**	**32 691**	**33 671**	**34 681**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	29 640	29 763	27 752	37 921	6 552	6 552	6 700	6 800	6 900
Sanitation (free minimum level service)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Electricity/other energy (50kwh per household per mont	2 700	3 700	4 100	4 350	4 350	4 350	4 785	5 260	5 790
Refuse (removed at least once a week)	5 300	5 800	6 423	6 320	6 552	6 552	6 700	6 800	6 900
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5 058	5 463	6 009	7 286	7 286	7 286	7 723	8 186	8 677
Sanitation (free sanitation service)	7 356	4 422	4 864	6 538	6 538	6 538	6 930	7 346	7 787
Electricity/other energy (50kwh per household per mont	11 085	12 233	13 456	14 336	17 287	17 287	18 809	19 090	19 371
Refuse (removed once a week)	6 048	6 531	7 185	8 655	8 655	8 655	9 174	9 725	10 308
Total cost of FBS provided (minimum social package)	**29 547**	**28 649**	**31 514**	**36 815**	**39 766**	**39 766**	**42 637**	**44 347**	**46 143**
Highest level of free service provided									
Property rates (R value threshold)	50 000	50 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Sanitation (Rand per household per month)	47	51	54	58	58	58	61	65	69
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	1 621	1 735	1 837	1 965	1 965	1 965	1 965	1 965	1 965
Property rates (other exemptions, reductions and rebates)				26 522	26 522	26 522	26 522	26 522	26 522
Water	5 058	5 463	7 149	6 826	7 816	7 816	8 285	8 782	9 309
Sanitation	7 356	7 945	5 540	6 538	6 057	6 057	6 420	6 806	7 214
Electricity/other energy	11 085	12 233	13 670	2 030	14 945	14 945	15 842	16 792	17 800
Refuse	6 048	6 531	9 099	8 655	9 948	9 948	10 545	11 178	11 848
Municipal Housing - rental rebates	27 250	15 176	–	–	–	–	–	–	–
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**58 418**	**49 083**	**37 295**	**52 536**	**67 253**	**67 253**	**69 579**	**72 045**	**74 658**

WC032 Overstrand - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE ITEMS:									
Property rates									
Total Property Rates	130 606	138 437	148 599	160 431	160 431	160 431	184 330	195 857	205 600
less Revenue Foregone	1 868	29 525	32 278	33 509	33 509	33 509	35 690	37 832	40 102
Net Property Rates	**128 737**	**108 913**	**116 321**	**126 921**	**126 921**	**126 921**	**148 640**	**158 025**	**165 498**
Service charges - electricity revenue									
Total Service charges - electricity revenue	183 552	224 950	247 521	295 786	295 786	295 786	323 104	347 205	365 053
less Revenue Foregone				10 850	10 850	10 850	13 018	14 060	15 184
Net Service charges - electricity revenue	**183 552**	**224 950**	**247 521**	**284 936**	**284 936**	**284 936**	**310 085**	**333 146**	**349 869**
Service charges - water revenue									
Total Service charges - water revenue	**74 099**	**83 755**	**85 498**	**102 465**	**96 965**	**96 965**	**101 149**	**105 510**	**111 404**
less Revenue Foregone				3 823	3 823	3 823	5 252	5 567	5 901
Net Service charges - water revenue	**74 099**	**83 755**	**85 498**	**98 642**	**93 142**	**93 142**	**95 897**	**99 943**	**105 503**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	**50 381**	**57 212**	**57 223**	**61 010**	**62 921**	**62 921**	**63 554**	**67 102**	**70 870**
less Revenue Foregone				93	93	93	99	105	111
Net Service charges - sanitation revenue	**50 381**	**57 212**	**57 223**	**60 917**	**62 827**	**62 827**	**63 455**	**66 997**	**70 759**
Service charges - refuse revenue									
Total refuse removal revenue	36 945	39 498	46 788	52 974	53 421	53 421	56 549	59 944	63 544
Total landfill revenue					–	–			
less Revenue Foregone				40	487	487	419	444	470
Net Service charges - refuse revenue	**36 945**	**39 498**	**46 788**	**52 934**	**52 934**	**52 934**	**56 130**	**59 500**	**63 074**
Other Revenue by source									
Building plan fees	2 800	3 252	2 880	2 800	2 950	2 950	3 300	3 630	3 993
Collection charges	1 705	2 071	2 542	2 500	2 550	2 550	2 805	3 086	3 390
Developers contributions	3 250	1 719	2 615	1 730	2 000	2 000	1 995	2 075	2 160
Central improvement district	3 601	3 663	3 918	4 362	4 234	4 234	4 869	5 112	5 368
Sundry income	2 819	599	2 522	481	480	480	669	711	757
Townplanning fees	709	756	793	680	680	680	803	883	972
Admission fees	598	661	707	650	700	700	770	847	932
Valuation and clearance certificates	389	335	388	535	535	535	504	553	607
Fair value adjustments	22 426	–	49 649						
Roadworthy certificates	457	453	463	500	525	525	578	635	699
SETA claims	464	1 046	1 058	800	800	800	848	899	899
Reconnection fees/ Other Income	279	2 819	3 926	4 926	6 061	6 061	4 577	4 425	4 629
Total 'Other' Revenue	**39 497**	**17 375**	**71 461**	**19 963**	**21 516**	**21 516**	**21 717**	**22 855**	**24 404**
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	121 116	131 998	151 906	153 802	165 331	165 331	184 410	197 574	211 127
Pension and UIF Contributions	21 976	25 219	26 372	28 009	27 758	27 758	29 321	31 171	33 197
Medical Aid Contributions	7 007	7 521	8 176	11 396	11 355	11 355	11 463	12 432	13 615
Overtime	10 506	12 030	12 423	11 483	11 146	11 146	13 913	14 859	15 819
Performance Bonus	–			12 011	–	–			
Motor Vehicle Allowance	7 877	8 299	9 178	11 152	10 870	10 870	11 760	11 783	12 033
Cellphone Allowance				1 513	1 513	1 513	1 638	1 699	1 792
Housing Allowances	968	1 025	1 046	951	951	951	1 018	978	977
Other benefits and allowances	8 442	9 693	11 182	9 183	9 118	9 118	11 118	11 512	12 278
Payments in lieu of leave	2 056	1 327	2 138	900	2 246	2 246	2 350	2 491	2 640
Long service awards	535	759	690	813	831	831	1 200	1 211	1 598
Post-retirement benefit obligations	6 850	10 068	8 415	9 630	11 335	11 335	11 875	12 588	13 343
sub-total	**187 333**	**207 938**	**231 527**	**250 842**	**252 454**	**252 454**	**280 066**	**298 298**	**318 421**
Less: Employees costs capitalised to PPE									
Total Employee related costs	**187 333**	**207 938**	**231 527**	**250 842**	**252 454**	**252 454**	**280 066**	**298 298**	**318 421**
Contributions recognised - capital									
Public contribution - non cash - assets	7 368	4 471	4 387						
DWA ACIP project	–	1 302	–				1 000		
Government contribution - non cash - assets	–	–	180						
KM CSIR	12 776	395	–						
Spaces for sport	127	156	200				51		
Eskom Solar Rebate/ Stony Point Eco Centre etc	1 290	2 280	522	3 583	1 083	1 083	1 083		
Total Contributions recognised - capital	**21 561**	**8 603**	**5 289**	**3 583**	**1 083**	**1 083**	**2 134**	**–**	**–**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	103 347	100 930	96 076	103 810	102 070	102 070	109 265	111 199	112 750
Lease amortisation									
Capital asset impairment	3 431	3 111	9 204						
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	**106 777**	**104 041**	**105 280**	**103 810**	**102 070**	**102 070**	**109 265**	**111 199**	**112 750**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Bulk purchases									
Electricity Bulk Purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Water Bulk Purchases									
Total bulk purchases	**101 683**	**126 669**	**145 022**	**156 893**	**156 893**	**156 893**	**169 444**	**183 000**	**197 640**
Transfers and grants									
Cash transfers and grants	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**23 620**	**28 454**	**35 856**	**38 766**	**39 217**	**39 217**	**41 370**	**44 065**	**46 708**
Contracted services									
Specialist services	8 259								
Other contractors	11 994								
Ward projects		5 247	5 679	5 625	1 832	1 832	1 566	5 200	5 200
Vehicle maintenance		4 732	4 918	5 902	5 914	5 914	6 198	7 456	8 350
Maintenance contractors		41	45 384	52 248	52 954	52 954	55 483	63 625	66 462
Contracted services		14 059	11 620	11 134	16 144	16 144	17 816	18 967	20 825
Total contracted services	**20 253**	**24 079**	**67 601**	**74 909**	**76 844**	**76 844**	**81 062**	**95 248**	**100 837**
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions	14 947	3 601	3 246	3 403	3 409	3 409	3 010	3 191	3 382
Consultant fees	–	10 766	9 367	13 789	12 856	12 856	12 858	13 196	13 572
Audit fees	2 732	2 501	2 869	3 400	4 050	4 050	4 104	3 821	4 050
General expenses	40 266	22 505	16 374	19 520	21 492	21 492	13 244	19 728	15 947
Conditional receipts expenses	4 029	54 612	4 133	22 979	24 346	24 346	3 382	13 465	24 307
Property valuation charges	901	2 418	1 030	900	900	900	1 100	1 120	1 230
Water catchment, research and testing/Mun Serv	1 822	5 648	5 295	4 640	4 519	4 519	4 260	4 515	4 779
Fuel and oil	6 887	9 042	9 903	11 249	11 237	11 237	12 506	14 170	15 871
Chemicals	6 659	6 411	8 488	8 690	10 072	10 072	9 664	10 637	11 284
Legal fees	606	2 766	1 649	2 000	1 940	1 940	1 700	1 590	1 685
Telephone and fax	4 789	3 912	2 934	3 171	3 171	3 171	3 342	3 523	3 713
Tourism development	3 081	2 824	2 732	1 513	2 815	2 815	2 618	2 775	2 941
Security services	3 417	3 435	3 759	4 056	4 814	4 814	4 325	4 620	4 902
Solid waste dumping fees	3 392	1 375	–	–	–	–			
Solid waste haulage	2 255	4 345	6 318	6 609	7 090	7 090	8 217	9 403	10 669
Hermanus public protection	3 152	3 603	3 921	4 362	4 373	4 373	5 029	5 331	5 651
Training	2 397	2 748	2 363	2 400	1 950	1 950	2 300	2 877	3 050
Electricity	2 146	2 575	3 248	3 746	4 246	4 246	4 672	4 710	5 143
Commission paid	2 956	3 416	4 014	3 954	1 030	1 030	1 145	1 405	1 582
Advertising	1 153	1 366	1 511	1 713	1 926	1 926	1 623	1 765	1 876
Management of informal settlements	1 462	1 475	1 513	2 264	1 563	1 563	1 869	1 981	2 100
Insurance	1 725	1 651	2 145	3 000	2 569	2 569	2 750	3 360	3 528
Printing and stationery	1 775	1 868	1 875	2 212	2 186	2 186	2 309	2 457	2 599
Solid waste chipping	1 946	2 369	2 151	1 260	2 128	2 128	2 809	3 234	3 696
Special projects	1 786	1 059	1 270	3 088	1 209	1 209	868	1 342	1 408
Workmen's Compensation Assurance							1 650	1 749	1 854
SALGA Membership Fees							2 505	2 946	3 152
Rentals (Equipment & Offices)							1 731	1 960	2 084
Postage & Courier Services							1 818	1 921	2 033
Total 'Other' Expenditure	**116 278**	**158 290**	**102 107**	**133 917**	**135 889**	**135 889**	**117 407**	**142 792**	**158 088**

by Expenditure Item									
Employee related costs	13 978	15 563	27 460	37 260	35 728	35 728	40 285	42 994	46 241
Other materials	4 600	5 188	9 153	45 751	12 854	12 854	8 807	9 717	10 231
Contracted Services	11 065	12 320	21 740	76 766	29 992	29 992	34 161	40 008	41 042
Other Expenditure	28 596	31 774	56 061	3 582	76 221	76 221	79 016	94 241	98 513
Total Repairs and Maintenance Expenditure	58 239	64 845	114 414	163 360	154 795	154 795	162 268	186 960	196 027

WC032 Overstrand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
Revenue By Source									
Property rates				148 640					**148 640**
Property rates - penalties & collection charges				1 050					**1 050**
Service charges - electricity revenue							310 085		**310 085**
Service charges - water revenue					95 897				**95 897**
Service charges - sanitation revenue					63 455				**63 455**
Service charges - refuse revenue					56 130				**56 130**
Service charges - other									**–**
Rental of facilities and equipment					7 941		25		**7 966**
Interest earned - external investments				6 166					**6 166**
Interest earned - outstanding debtors				2 288					**2 288**
Dividends received									**–**
Fines					75			7 890	**7 965**
Licences and permits					440			1 789	**2 229**
Agency services					5			2 475	**2 480**
Other revenue	384		911	10 067	3 357	1 200	4 769	1 030	**21 717**
Transfers recognised - operational	52 021			884	5 884	1 768			**60 557**
Gains on disposal of PPE									**–**
Total Revenue (excluding capital transfers and contril	**52 405**	**–**	**911**	**169 095**	**233 183**	**2 968**	**314 879**	**13 184**	**786 624**
Expenditure By Type									
Employee related costs	14 232	3 773	19 743	35 346	134 355	5 200	39 105	28 312	**280 066**
Remuneration of councillors	8 516								**8 516**
Debt impairment									**–**
Depreciation & asset impairment	22	19	1 790	280	47 753	128	58 344	929	**109 265**
Finance charges			7	126	29 604		15 425		**45 162**
Bulk purchases							169 444		**169 444**
Other materials		3	641	35	7 534	28	8 740	313	**17 295**
Contracted services		39	6 277	6 939	34 160	44	27 312	6 292	**81 062**
Transfers and grants	41 370								**41 370**
Other expenditure	6 356	579	14 043	21 506	44 698	5 496	16 733	7 996	**117 407**
Loss on disposal of PPE									**–**
Total Expenditure	**70 496**	**4 413**	**42 501**	**64 232**	**298 106**	**10 896**	**335 103**	**43 842**	**869 588**
Surplus/(Deficit)	**(18 091)**	**(4 413)**	**(41 590)**	**104 863**	**(64 923)**	**(7 928)**	**(20 224)**	**(30 659)**	**(82 965)**
Transfers recognised - capital			**1 500**		**28 584**		**2 000**		**32 084**
Contributions recognised - capital					51		2 083		**2 134**
Contributed assets									**–**
Surplus/(Deficit) after capital transfers & contributions	**(18 091)**	**(4 413)**	**(40 090)**	**104 863**	**(36 288)**	**(7 928)**	**(16 141)**	**(30 659)**	**(48 747)**

WC032 Overstrand - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Call investment deposits									
Call deposits < 90 days	50 000	75 000	55 042	–					
Other current investments > 90 days									
Total Call investment deposits	**50 000**	**75 000**	**55 042**	**–**	**–**	**–**	**–**	**–**	**–**
Consumer debtors									
Consumer debtors	64 654	68 475	65 996	67 826	67 826	67 826	69 091	69 446	69 328
Less: Provision for debt impairment	(20 232)	(18 114)	(16 916)	(17 000)	(17 000)	(17 000)	(16 500)	(16 000)	(15 500)
Total Consumer debtors	**44 422**	**50 361**	**49 080**	**50 826**	**50 826**	**50 826**	**52 591**	**53 446**	**53 828**
Debt impairment provision									
Balance at the beginning of the year	23 549	20 232	18 114	22 000	22 000	22 000	17 000	16 500	16 000
Contributions to the provision	4 806	(190)	594	–	–	–			
Bad debts written off	(8 123)	(1 928)	(1 792)	(5 000)	(5 000)	(5 000)	(500)	(500)	(500)
Balance at end of year	**20 232**	**18 114**	**16 916**	**17 000**	**17 000**	**17 000**	**16 500**	**16 000**	**15 500**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 580 459	5 709 629	5 832 165	5 963 038	5 966 768	5 966 768	6 061 941	6 148 103	6 228 221
Leases recognised as PPE	–	1 208	1 379	1 208	1 208	1 208	1 406	1 406	1 406
Less: Accumulated depreciation	2 556 098	2 637 823	2 727 895	2 883 771	2 882 031	2 882 031	2 990 924	3 101 751	3 214 128
Total Property, plant and equipment (PPE)	**3 024 361**	**3 073 014**	**3 105 649**	**3 080 474**	**3 085 945**	**3 085 945**	**3 072 423**	**3 047 758**	**3 015 499**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	374	485	197	197	197	1 176	1 323	1 505
Current portion of long-term liabilities	14 218	16 424	17 756	20 426	20 426	20 426	23 929	27 220	30 023
Total Current liabilities - Borrowing	**14 218**	**16 798**	**18 241**	**20 623**	**20 623**	**20 623**	**25 105**	**28 542**	**31 528**
Trade and other payables									
Trade and other creditors	80 873	63 172	66 860	64 237	62 036	62 036	55 831	68 465	55 956
Unspent conditional transfers	9 955	4 555	7 783	–	–	–	–	–	–
VAT									
Total Trade and other payables	**90 828**	**67 728**	**74 643**	**64 237**	**62 036**	**62 036**	**55 831**	**68 465**	**55 956**
Non current liabilities - Borrowing									
Borrowing	247 081	340 581	364 394	391 789	391 789	391 789	407 225	425 005	439 982
Finance leases (including PPP asset element)		623	260	–	–	–	4 541	3 219	1 713
Total Non current liabilities - Borrowing	**247 081**	**341 204**	**364 654**	**391 789**	**391 789**	**391 789**	**411 766**	**428 224**	**441 696**
Provisions - non-current									
Retirement benefits	61 660	71 562	79 887	89 131	89 131	89 131	92 875	97 704	102 785
List other major provision items									
Refuse landfill site rehabilitation	29 342	32 057	31 933	38 086	38 086	38 086	36 617	38 521	40 525
Other	6 413	7 478	7 498	8 108	8 108	8 108	8 008	8 322	8 650
Total Provisions - non-current	**97 414**	**111 097**	**119 319**	**135 325**	**135 325**	**135 325**	**137 501**	**144 548**	**151 960**
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	2 537 046	2 564 679	2 490 973	2 435 180	2 884 213	2 884 213	2 857 322	2 808 575	2 752 018
GRAP adjustments	17 898	364 261	356 359	–					
Restated balance	2 554 944	2 928 940	2 847 332	2 435 180	2 884 213	2 884 213	2 857 322	2 808 575	2 752 018
Surplus/(Deficit)	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Appropriations to Reserves									
Transfers from Reserves	–	–	1 333	–					
Depreciation offsets									
Other adjustments					16 515	16 515			
Accumulated Surplus/(Deficit)	**2 564 679**	**2 847 332**	**2 855 854**	**2 397 233**	**2 857 322**	**2 857 322**	**2 808 575**	**2 752 018**	**2 682 425**
Reserves									
Housing Development Fund	1 913	1 920	1 891	1 927	1 927	1 927	1 934	1 941	1 960
Capital replacement									
Self-insurance									
Other reserves									
Revaluation	315 176	–	–	315 176	–	–			
Total Reserves	**317 089**	**1 920**	**1 891**	**317 103**	**1 927**	**1 927**	**1 934**	**1 941**	**1 960**
TOTAL COMMUNITY WEALTH/EQUITY	**2 881 767**	**2 849 252**	**2 857 746**	**2 714 336**	**2 859 249**	**2 859 249**	**2 810 509**	**2 753 958**	**2 684 385**

WC032 Overstrand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The provision of democratic, accountable and ethical governance	Corporate Governance	1	281 846	187 130	271 986	258 008	157 589	157 589	183 397	193 973	203 347
The provision and maintenance of municipal services	Basic Service Delivery	2	356 023	456 833	461 748	509 446	533 310	533 310	559 189	593 550	621 902
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				883	42 995	42 995	53 339	65 569	73 550
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	9 666	10 346	12 606	12 561	12 651	12 651	13 260	13 177	14 172
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	5 402	6 609	7 762	5 214	38 439	38 439	11 658	28 557	30 283
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			**652 937**	**660 918**	**754 103**	**786 112**	**784 983**	**784 983**	**820 842**	**894 826**	**943 255**

WC032 Overstrand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The provision of democratic, accountable and ethical governance	Corporate Governance	1	248 943	379 939	342 949	143 629	84 637	84 637	93 256	110 152	111 972
The provision and maintenance of municipal services	Basic Service Delivery	2	337 222	310 956	345 437	568 491	584 662	584 662	627 915	673 532	713 071
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				50 423	62 399	62 399	63 289	67 543	71 596
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	39 588	36 252	42 458	52 022	52 813	52 813	56 208	60 268	63 957
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	17 449	15 378	16 070	9 495	43 878	43 878	28 920	39 888	52 251
Allocations to other priorities											
Total Expenditure			**643 201**	**742 525**	**746 914**	**824 059**	**828 389**	**828 389**	**869 588**	**951 383**	**1 012 847**

WC032 Overstrand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The provision of democratic, accountable and ethical governance	Corporate Governance	1	38 678	29 523	37 373	9 977	11 301	11 301	16 815	2 675	7 730
The provision and maintenance of municipal services	Basic Service Delivery	2	100 154	127 569	103 790	72 258	94 684	94 684	54 300	59 748	54 588
The encouragement of structured community participation in the matters of the municipality	Community Participation	3				9 792	9 348	9 348	21 205	18 839	13 800
The creation and maintenance of a safe and healthy environment	Safe and Healhty Environment	4	296	645	–						
The promotion of tourism, economic and social development	Economic Development and Social Upliftment	5	14 990	5 538	2 601	17 870	11 150	11 150	5 400	4 900	4 000
Allocations to other priorities											
Total Capital Expenditure			**154 117**	**163 275**	**143 764**	**109 897**	**126 482**	**126 482**	**97 721**	**86 162**	**80 118**

WC032 Overstrand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Council										
Council and Municipal Manager										
Council										
Annual performance reporting	Annual report and oversight	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Approval of Adjustment Budget	Approval of adjustment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Effecdtive functioning of committee systeml	No of sec 79 committee	4	5	4	4	4	4	4	4	4
Approval of Main Budget	Approval of Main Budget	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mayor										
Approval of SDBIP	Approval of SDBIP before	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Spreaker										
Effecdtive functioning of council	Number of ordinary Council	9	8	9	9	9	9	9	9	9
Municipal Mananger										
Functional Internal Audit Unit	Reviewed and approved risk	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Functional performance audit committee	No of meetings of the	4	4	4	4	4	4	4	4	4
Improved good governance	corruption policy by the end	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Instutional performance management system in place	Individual performance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Institutional Performance management system in place	No of performance	8	7	7	7	7	7	7	7	7
Municipality complyin g with all relevant legislation	No compliance findings in the	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Management Services										
Director: Management Services										
Human Resources										
Creation of effective capacity	% Vacancy level as % of	90.0%	93.68%	90.00%	90.0%	90.0%	90.00%	90.0%	90.0%	90.0%
Reaching of employment equity targets	% of Targets reached per	100.0%	100.0%	10.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Targeted skills development	The percentage of budget	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Effective labour relations	No of meetings of the LLF	9	8	9		9	9			
Effective and up to date HR policies	Revision of all HR policies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Strategic Services										
Reviewed IDP	IDP reviewd by 31 May	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Finance										
Director: Finance										
Asset Management										
Asset management	17 & 102 (measured in terms	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Director Finance										
Clean audit	raised by AG in the previous	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending - operational (EMC, MSIG, Equitable share)	operational grants spent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Preparation of financial statements	submitted by the end of	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Updated indigent register for the provision of free basic	the 10th of every month	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending - operational (MSIG, Libraries, CDW, HOF)	operational grants spent	98.0%	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Improvement in conditional grant spending - capital	grants spent (MIG)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SCM										
Effective SCM system	awarded within the validity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue										
Improved revenue collection	days)	90.0%	99.3%	98.1%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Community Services										
Director: Community Services										
Director: Community Services										
Effective functioning of ward committees	No of ward committee	8	13	13		13	13			
Maintenance of grave yards	grave yards spent	98.0%	96.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of halls and facilities	halls and facilities spent	98.0%	98.0%	94.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of recreational areas	recreational areas spent	98.0%	97.7%	90.5%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Number of informal settlements formalised and with the provision of basic services where required	settlements formalised	2	2							
Maintenance of municipal roads	municipal roads spent		98.2%	91.3%	98.0%	98.0%	98.0%	9.0%	98.0%	98.0%
Maintenance of municipal roads (Reseal)	resealed according to	98.0%	98.0%							
Provision of sport facilities	facilities in terms of the	93.0%	98.0%							
Maintenance of refuse removal services	plan executed	98.0%	103.2%	100.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of refuse removal services	refuse removal spent	98.0%	103.2%	99.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of sanitation services	plan executed	98.0%	98.3%	99.8%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of sanitation services	sanitation spent	98.0%	99.8%	97.9%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Quality of waste water discharge	permit conditions and	60.0%	88.6%	86.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Maintenance of water assets	water spent	98.0%	100.6%	97.1%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of water services	plan executed	98.0%	95.37%	97.02%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
New water connections	No of new water connections	410	410	188		100				
Replacement of existing water meters	No of meters replaced	200	200	60						
Director: LED										
LED										
Employment through job creation schemes	No of temporary jobs created	154	204	609	500	500	500	500	500	500
Completed and aligned LED strategy	end of March	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Employment through job creation initiatives that ponder employment for locals	No of jobs created	50	204	23	20	20	20	20	20	20
Enhancement of economic development	Value of contracts assigned to emerging contractors	R 19 000 000	R4,185,237.16	R 561 335.28	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000
Improved skills development	No of workshops organised	4	11	9	10	10	10	10	10	10
Tourism related projects/initiatives	enterprises/projects	4	4							
Infrastructure & Planning										
Director: Infrastructure and Planning										
Sub-function 1 - (name)										
Effective capital spending	electricity capital projects	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Maintenance of electricity assets	electricity spent	98.0%	58.25%		98.0%					
New electricity connections	connections		482	122						
No of HH that meet agreed service standards (access to electricity) - All areas	service standards	410	21898	21998	21898	21998	21998	21998	21998	21998
Percentage electricity losses	municipality	10.0%	7.1%	6.9%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Development of an Integrated Human Settlement Strategy	end of March 2011	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Effective capital spending	municipal roads capital	98.0%	98.0%	102.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Effective capital spending	management capital projects	98.0%	98.0%	77.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
No of HH that meet agreed waste service standards (at least once a week) - Formal areas	standard waste	26000	30334	31739	26000					

WC032 Overstrand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.5%	6.2%	6.8%	7.3%	7.7%	7.7%	7.6%	7.5%	7.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	8.2%	7.8%	8.9%	9.5%	9.5%	9.1%	9.3%	9.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	71.8%	117.8%	45.1%	73.0%	58.1%	58.1%	74.2%	93.9%	89.6%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	77.9%	17772.6%	19278.6%	123.6%	20333.9%	20333.9%	21294.4%	22066.8%	22535.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.6	1.7	1.3	1.4	1.5	1.5	1.3	1.2	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.7	1.3	1.4	1.5	1.5	1.3	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.9	0.5	0.6	0.7	0.7	0.6	0.5	0.6
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		101.5%	105.3%	91.7%	97.9%	106.5%	99.6%	99.6%	99.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.9%	14.6%	13.7%	12.3%	13.0%	13.0%	12.4%	11.6%	11.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	99.0%	99.8%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		115.5%	49.9%	79.5%	76.1%	73.5%	73.5%	63.4%	73.6%	58.0%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	19028627	16012859	15831477	17200000	16033400	15654000	15896000	16142000	16354000
	Total Cost of Losses (Rand '000)	6 159	6 513	7 101	8 015	8 826	8 610	9 127	9 674	10 255
	% Volume (units purchased and generated less units sold)/units purchased and generated	8.37%	7.12%	6.91%	6.90%	6.85%	6.70%	6.67%	6.64%	6.60%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1860248	1428898	1 444 853	1 500 000	1 465 550	1 465 550	1 476 200	1 528 020	1 581 540
	Total Cost of Losses (Rand '000)	3 101	2 892	1842	3 279	3500	2785	3085	3514	4001
	% Volume (units purchased and generated less units sold)/units purchased and generated	24.24%	20.36%	20.01%	20.40%	20.20%	20.89%	20.23%	20.14%	20.04%
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.8%	34.8%	33.3%	33.8%	34.0%	34.0%	35.7%	34.9%	34.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.6%	35.9%	34.3%	34.8%	35.0%	35.0%	36.8%	35.9%	36.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.6%	10.9%	16.5%	22.0%	20.8%	20.8%	20.7%	21.9%	21.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.8%	22.7%	20.5%	19.7%	19.4%	19.4%	19.7%	18.6%	17.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	23.4	24.0	23.4	21.7	21.7	21.7	22.4	21.5	22.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.7%	16.6%	17.0%	14.5%	15.3%	15.3%	14.2%	13.6%	14.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.0	3.1	1.8	1.7	1.6	1.6	1.6	1.6	1.5

WC032 Overstrand - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			55	75	84	95	80		88			
Females aged 5 - 14			3	6	5	6	5		6			
Males aged 5 - 14			3	6	5	6	5		6			
Females aged 15 - 34			6	12	14	9	13		14			
Males aged 15 - 34			6	11	14	9	14		15			
Unemployment			5	8	5		4		5			
Monthly household income (no. of households)	1, 12											
No income				3 758	9 837		7 113		10 759			
R1 - R1 600				3 844	4 545		4 334		4 657			
R1 601 - R3 200				1 317	3 085		2 048		3 427			
R3 201 - R6 400				669	1 600		1 406		1 679			
R6 401 - R12 800				746	2 826		1 133		3 395			
R12 801 - R25 600				192	10 211		748		15 218			
R25 601 - R51 200				253	7 606		266		12 350			
R52 201 - R102 400				30	338		77		438			
R102 401 - R204 800					124		25		163			
R204 801 - R409 600					36		19		42			
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13	# households earning less than R1600 based on monthly		7 602	14 382		11447.00		15416.00			
Insert description	2											
Household/demographics (000)												
Number of people in municipal area		Stats SA		74 546	84 253		80 432		88 285			
Number of poor people in municipal area												
Number of households in municipal area		Stats SA		21 953	21 063		20 108		22 071			
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal								31 739				
Informal						3 682	3 421	3 406				
Total number of households			-	-	-	3 682	3 421	35 145	-	-	-	-
Dwellings provided by municipality	4					410			183			
Dwellings provided by province/s						30	393					
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	440	393	-	183	-	-	-

WC032 Overstrand Supporting Table SA10 Funding measurement

Description	MFMA section	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	70 004	126 699	84 147	84 406	84 406	84 406	88 050	93 014	96 452
Cash + investments at the yr end less applications - R'000	18(1)b	67 829	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Cash year end/monthly employee/supplier payments	18(1)b	2.0	3.1	1.8	1.7	1.6	1.6	1.6	1.6	1.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	9 735	(81 607)	7 189	(37 947)	(43 407)	(43 407)	(48 747)	(56 557)	(69 592)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.6%	1.6%	6.8%	(6.6%)	(6.0%)	2.6%	0.4%	(0.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	69.1%	101.4%	43.0%	69.4%	56.7%	56.7%	64.0%	96.4%	92.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(3.5%)	9.9%	(4.0%)	5.0%	0.0%	0.8%	2.3%	9.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(14.3%)	(33.7%)	(12.6%)	0.0%	0.0%	(21.6%)	(21.3%)	(26.5%)
R&M % of Property Plant & Equipment	20(1)(vi)	1.9%	2.1%	3.7%	5.3%	5.0%	5.0%	5.3%	6.1%	6.5%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	2.9%	35.6%	38.5%	38.5%	28.8%	39.9%	37.7%
% incr Service charges - refuse revenue	18(1)a		6.9%	18.5%	13.1%	0.0%	0.0%	6.0%	6.0%	6.0%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	481 100	521 995	561 474	633 901	630 312	630 312	683 223	727 452	765 475
Service charges		474 568	515 252	554 266	625 350	621 761	621 761	675 256	718 713	755 860
Property rates		129 591	109 838	117 235	127 921	127 921	127 921	149 690	159 127	166 656
Service charges - electricity revenue		183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Service charges - water revenue		74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - sanitation revenue		50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - refuse removal		36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - other		–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Capital expenditure excluding capital grant funding		130 326	108 442	89 956	73 869	90 448	90 448	62 487	46 675	48 730
Cash receipts from ratepayers	18(1)a	522 926	577 470	591 940	652 431	708 215	708 215	716 842	760 607	793 858
Ratepayer & Other revenue	18(1)a	532 030	550 677	645 772	666 443	665 861	665 861	719 901	765 092	805 703
Change in consumer debtors (current and non-current)		16 090	(3 207)	8 520	(3 852)	765	765	5 379	2 244	9 528
Operating and Capital Grant Revenue	18(1)a	82 470	92 838	95 489	108 371	109 451	109 451	92 641	123 524	131 297
Capital expenditure - total	20(1)(vi)	154 117	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Capital expenditure - renewal	20(1)(vi)	–	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Total Operating Revenue		607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Total Operating Expenditure		643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Operating Performance Surplus/(Deficit)		(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Revenue										
% Increase in Total Operating Revenue			(1.6%)	16.3%	6.8%	0.1%	0.0%	5.5%	9.0%	6.6%
% Increase in Property Rates Revenue			(15.4%)	6.8%	9.1%	0.0%	0.0%	17.1%	6.3%	4.7%
% Increase in Electricity Revenue			22.6%	10.0%	15.1%	0.0%	0.0%	8.8%	7.4%	5.0%
% Increase in Property Rates & Services Charges			8.6%	7.6%	12.8%	(0.6%)	0.0%	8.6%	6.4%	5.2%
Expenditure										
% Increase in Total Operating Expenditure			15.4%	0.6%	10.3%	0.5%	0.0%	5.0%	9.4%	6.5%
% Increase in Employee Costs			11.0%	11.3%	8.3%	0.6%	0.0%	10.9%	6.5%	6.7%
% Increase in Electricity Bulk Purchases			24.6%	14.5%	8.2%	0.0%	0.0%	8.0%	8.0%	8.0%
R&M % of PPE		1.9%	2.1%	3.7%	5.3%	5.0%	5.0%	5.3%	6.1%	6.5%
Asset Renewal and R&M as a % of PPE		2.0%	2.0%	4.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
Debt Impairment % of Total Billable Revenue		1.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue										
Internally Funded & Other (R'000)		43 383	34 478	22 412	14 008	17 022	17 022	15 564	1 675	3 730
Borrowing (R'000)		86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Grant Funding and Other (R'000)		23 791	54 833	53 809	36 028	36 034	36 034	35 234	39 487	31 388
Internally Generated funds % of Non Grant Funding		33.3%	31.8%	24.9%	19.0%	18.8%	18.8%	24.9%	3.6%	7.7%
Borrowing % of Non Grant Funding		66.7%	68.2%	75.1%	81.0%	81.2%	81.2%	75.1%	96.4%	92.3%
Grant Funding % of Total Funding		15.4%	33.6%	37.4%	32.8%	28.5%	28.5%	36.1%	45.8%	39.2%
Capital Expenditure										
Total Capital Programme (R'000)		154 117	163 275	143 764	109 897	126 482	126 482	97 721	86 162	80 118
Asset Renewal		–	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	2.9%	35.6%	38.5%	38.5%	28.8%	39.9%	37.7%
Cash										
Cash Receipts % of Rate Payer & Other		98.3%	104.9%	91.7%	97.9%	106.4%	106.4%	99.6%	99.4%	98.5%
Cash Coverage Ratio		2.0	3.1	1.8	1.7	1.6	1.6	1.6	1.6	1.5
Borrowing										
Capital Charges to Operating		4.5%	6.2%	6.8%	7.3%	7.7%	7.7%	7.6%	7.5%	7.6%
Borrowing Receipts % of Capital Expenditure		69.1%	101.4%	43.0%	69.4%	56.7%	56.7%	64.0%	96.4%	92.3%
Reserves										
Surplus/(Deficit)		67 829	131 938	97 059	109 910	124 780	124 780	128 853	123 260	147 718
Free Services										
Free Basic Services as a % of Equitable Share		109.8%	92.0%	87.2%	87.8%	94.8%	94.8%	82.0%	69.1%	64.1%
Free Services as a % of Operating Revenue (excl operational transfers)		10.6%	8.8%	5.7%	7.8%	10.0%	10.0%	9.6%	9.3%	9.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue		607 290	597 482	695 005	742 541	743 363	743 363	784 474	855 339	911 867
Total Operating Expenditure		643 201	742 525	746 914	824 059	828 389	828 389	869 588	951 383	1 012 847
Surplus/(Deficit) Budgeted Operating Statement		(35 911)	(145 043)	(51 909)	(81 518)	(85 026)	(85 026)	(85 115)	(96 044)	(100 980)
Surplus/(Deficit) Considering Reserves and Cash Backing		31 917	(13 105)	45 150	28 392	39 753	39 753	43 739	27 216	46 738
MTREF Funded (1) / Unfunded (0)		1	0	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		✓	✗	✓	✓	✓	✓	✓	✓	✓

WC032 Overstrand - Supporting Table SA11 Property rates summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Valuation:									
Date of valuation:	02/07/2007	02/07/2007	02/07/2011	02/07/2011	02/07/2011	02/07/2011			
Financial year valuation used	**2008/2009**	**2008/2009**	**2012/2013**				**2012/2013**		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes							
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes							
Municipal partnership s38 used? (Y/N)	No	No							
No. of assistant valuers (FTE)	**2**	**2**	**2**	2	**2**	**2**	2	**2**	**2**
No. of data collectors (FTE)	6	6	6	6	6	6	12	12	6
No. of internal valuers (FTE)	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	4	4	4	3	3	3	3	3	3
No. of additional valuers (FTE)	–	–	–	–	–	–	1	1	–
Valuation appeal board established? (Y/N)	Yes	Yes							
Implementation time of new valuation roll (mths)	36		36	24			12		
No. of properties	40 839	40 907	40 801	41 025	41 025	41 025	41 230	41 436	41 643
No. of sectional title values	2 396	2 396	2 383	2 623	2 623	2 623	2 636	2 649	2 663
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	3	1	2	3	3	3	2	2	2
No. of valuation roll amendments	4	2	3	3	3	3	2	2	2
No. of objections by rate payers	40	24	830	103	103	103	100	1 200	100
No. of appeals by rate payers	2	1	53	5	5	5	10	120	10
No. of successful objections	2	5		24	24	24	20	200	20
No. of successful objections > 10%	2	–	137	14	14	14	10	100	10
Supplementary valuation	4 069	3 323	4 998	4 233	7 548	7 548	4 487	4 756	5 042
Public service infrastructure value (Rm)	38	38	40	40	40	40	43	45	48
Municipality owned property value (Rm)	701	701	694	694	694	694	736	780	827
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	41	41	40	40	40	40	43	45	48
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	535	458	453	453	453	453	480	509	540
Valuation reductions-public worship (Rm)	211	211	209	209	209	209	222	235	249
Valuation reductions-other (Rm)	2 329	2 067	2 046	2 046	2 046	2 046	2 169	2 299	2 437
Total valuation reductions:	**3 116**	**2 776**	**2 749**	**2 749**	**2 749**	**2 749**	**2 913**	**3 088**	**3 274**
Total value used for rating (Rm)	39 151	39 491	39 152	39 152	39 152	39 152	41 501	43 991	46 630
Total land value (Rm)	22 148	22 148	21 360	21 360	21 360	21 360	22 642	**24 000**	**25 440**
Total value of improvements (Rm)	20 119	20 119	20 540	20 540	20 540	20 540	21 772	23 079	24 463
Total market value (Rm)	42 267	42 267	41 900	41 900	41 900	41 900	44 414	47 079	49 904
Rating:									
Residential rate used to determine rate for other categories? (Y/N)									
Differential rates used? (Y/N)									
Limit on annual rate increase (s20)? (Y/N)									
Special rating area used? (Y/N)									
Phasing-in properties s21 (number)									
Rates policy accompanying budget? (Y/N)									
Fixed amount minimum value (R'000)									
Non-residential prescribed ratio s19? (%)									
Rate revenue:									
Rate revenue budget (R '000)	105 492	112 600	120 278	126 818	126 818	126 818	148 520	158 025	165 259
Rate revenue expected to collect (R'000)	105 492	112 600	120 278	126 818	126 818	126 818	148 520	158 025	165 259
Expected cash collection rate (%)	86.8%	87.6%	99.9%	99.0%	99.0%	99.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	142	205	319	331	331	331	245	260	275
Rebates, exemptions - bona fide farm. (R'000)	1 182	634	1 653	1 712	1 712	1 712	1 267	1 343	1 424
Rebates, exemptions - other (R'000)	2 974	2 190	3 708	3 839	3 839	3 839	2 843	3 013	3 194
Phase-in reductions/discounts (R'000)									
Total rebates,exemptns,reductns,discs (R'000)	**4**	**3**	**5 680**	**5 882**	**5 882**	**5 882**	**4 355**	**4 616**	**4 893**

WC032 Overstrand - Supporting Table SA12a Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2013/14																
Valuation:																
No. of properties	36 750	–	1 591	315	186	1 656	204	–	–	–	–	–	114	–	125	–
No. of sectional title property values	2 243	–	379	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	total of 2 up to date		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	Total: 4233315100		–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of objections by rate-payers	87	–	1	–	–	–	15	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	3	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	3	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–
No. of successful objections	15	–	1	–	–	–	11	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	2	–	1	–	–	–	11	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	100 total	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	40	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	453	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	209	–
Valuation reductions-other (Rm)	2 046	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	34 324	–	3 631	871	316	–	–	–	–	–	–	–	9	–	–	–
Total land value (Rm)	18 291	–	1 550	534	152	527	27	–	–	–	–	–	197	–	82	–
Total value of improvements (Rm)	17 565	–	2 081	337	172	168	13	–	–	–	–	–	72	–	132	–
Total market value (Rm)	**35 856**	**–**	**3 631**	**871**	**325**	**694**	**40**	**–**	**–**	**–**	**–**	**–**	**269**	**–**	**214**	**–**
Rating:																
Average rate	0.003600		0.005450	0.000900	0.005450				0.003600	0.005450						
Rate revenue budget (R '000)	91 896		18 416	221	16 285											
Rate revenue expected to collect (R'000)	91 896		18 416	221	16 285											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)	331															
Rebates, exemptions - bona fide farm. (R'000)				1 712												
Rebates, exemptions - other (R'000)				3 839												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

WC032 Overstrand - Supporting Table SA12b Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2014/15																
Valuation:																
No. of properties																
No. of sectional title property values	36 750	–	1 591	315	186	1 656	204	–	–	–	–	–	114	–	125	–
No. of unreasonably difficult properties s7(2)	2 243	–	379	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	2 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	Total R4656646610															
No. of objections by rate-payers	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of appeals by rate-payers	150 total		–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	20 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	20 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	40 total	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	10 total	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**	100 total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation **(select)**	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Method of valuation used **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Base of valuation **(select)**	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Phasing-in properties s21 (number)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Combination of rating types used? (Y/N)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	43	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	480	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	222	–
Valuation reductions-other (Rm)	2 169	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	36 383	–	3 849	923	335	–	–	–	–	–	–	–	10	–	–	–
Total land value (Rm)	19 388	–	1 643	566	161	558	29	–	–	–	–	–	209	–	87	–
Total value of improvements (Rm)	18 619	–	2 206	357	183	178	14	–	–	–	–	–	76	–	140	–
Total market value (Rm)	**38 007**	**–**	**3 849**	**923**	**344**	**736**	**43**	**–**	**–**	**–**	**–**	**–**	**285**	**–**	**227**	**–**
Rating:																
Average rate	0.004140		0.006270	0.001035	0.006270				0.004140	0.006270					0.004140	
Rate revenue budget (R '000)	107 622		21 567	0	19 072				–						–	
Rate revenue expected to collect (R'000)	107 622		21 567	0	19 072											
Expected cash collection rate (%)	100.0%		100.0%	100.0%	100.0%											
Special rating areas (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - indigent (R'000)	–		–	–	–				–	–					–	
Rebates, exemptions - pensioners (R'000)	245															
Rebates, exemptions - bona fide farm. (R'000)				1 267												
Rebates, exemptions - other (R'000)				2 843												
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Property rates *(rate in the Rand)*								
Residential properties		89 567 294	94 852 280	100 066 700	91 896 000	107 622 000	174 223 000	119 752 000
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used		131 338	186 487	287 327	221 000	259 000	419 000	288 000
Farm properties - not used								
Industrial properties								
Business and commercial properties		15 792 982	17 562 116	19 923 518	18 416 000	21 567 000	34 914 000	23 998 000
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties					16 285 000	19 072 000	30 874 000	21 221 000
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates *(Rands)*								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		35 000	35 000	100 000	100 000	100 000	100 000	100 000
Pensioners/social grants rebate or exemption		50 000	50 000	100 000	100 000	100 000	100 000	100 000
Temporary relief rebate or exemption		20-40%	30-100%	30-100%	30-100%	30-100%	30-100%	30-100%
Bona fide farmers rebate or exemption								
Other rebates or exemptions		90%	85%	75%	75%	75%	75%	75%
Water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		81	88	93	96	102	111	118
Service point - vacant land *(Rands/month)*		81	88	93	96	102	111	118
Water usage - flat rate tariff *(c/kl)*								
Water usage - life line tariff	Consumption - Households				307	325	345	365
Water usage - Block 1 (c/kl)	0 - 6 kl per kl	-	-	-	811	1 005	1 065	1 129
Water usage - Block 2 (c/kl)	7 - 20kl per kl	648	702	746	1 316	1 631	1 729	1 833
Water usage - Block 3 (c/kl)	21 - 30 kl per kl	648	702	1 200	2 026	2 512	2 663	2 822
Water usage - Block 4 (c/kl)	31 - 60 kl per kl	1 620	1 755	1 860	2 632	3 263	3 459	3 666
Other	> 60 kl	2 160	2 369	2 518	3 509	4 351	4 612	4 889
Waste water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		70	76	81	86	91	96	102
Service point - vacant land *(Rands/month)*		149	161	123	130	109	116	122
Waste water - flat rate tariff *(c/kl)*		750	811	877	965	1 026	1 088	1 153
Volumetric charge - Block 1 (c/kl)	Basic charge - pumps	47	51	54	58	61	65	69
Volumetric charge - Block 2 (c/kl)	Service per pump	325	351	373	396	419	444	471
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		142	152	158	193	204	216	229
Service point - vacant land *(Rands/month)*		142	152	158	193	204	216	229
FBE	Qualify for indigent							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	<30 Amp	1 066	720	795	795	886	939	996
Flat rate tariff - meter *(c/kwh)*								
Flat rate tariff - prepaid *(c/kwh)*	Credit meter							
Meter - IBT Block 1 (c/kwh)	0 - 350 kWH	694	720	861	886	959	1 017	1 078
Meter - IBT Block 2 (c/kwh)	351 - 600 kWH	694	980	1 133	1 201	1 300	1 378	1 461
Meter - IBT Block 3 (c/kwh)	> 600 kWH	694	1 140	1 328	1 448	1 567	1 661	1 761
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	Prepaid meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWH	694	720	795	819	886	939	996
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWH	694	980	1 068	1 132	1 225	1 299	1 376
Prepaid - IBT Block 3 (c/kwh)	> 600 kWH	694	1 140	1 277	1 392	1 506	1 596	1 692
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		77	83	113	123	130	138	146
80l bin - once a week								
250l bin - once a week		272	284	113	123	130	138	146

WC032 Overstrand - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Exemptions, reductions and rebates *(Rands)*								
[Insert lines as applicable]	RESIDENTIAL	0.00310	0.00326	0.00360	0.00360	0.00414	0.00438	0.00465
	BUSINESS & COMMERCIAL	0.00440	0.00476	0.00545	0.00545	0.00626	0.00664	0.00700
	FARM PROPERTIES	0.00310	0.00326	0.00090	0.00090	0.00103	0.00109	0.00116
Water tariffs								
[Insert blocks as applicable]	Basic charge/fixed fee				96	102	108	115
	Service point - vacant land				96	102	108	115
	0 - 6 kl	-	-	-	307	325	345	365
	7 - 18 kl	648	702	746	811	1 005	1 065	1 129
	19 - 30 kl	648	702	1 200	1 316	1 631	1 729	1 833
	31 - 45 kl	1 620	1 755	1 860	2 026	2 512	2 663	2 822
	46 - 60 kl	1 620	1 755	1 860	2 632	3 263	3 459	3 666
	> 60 kl	2 160	2 369	2 518	3 509	4 351	4 612	4 889
	(fill in thresholds)							
	(fill in thresholds)							
Waste water tariffs								
[Insert blocks as applicable]	Basic charge per month	70	76	80	86	91	97	102
	Basic charge - vacant land	149	161	122	130	109	116	122
	Flat rate per kl	750	811	877	965	1 026	1 088	1 153
	Basic charge - pumps	47	51	54	58	61	65	69
	Service per pump	325	351	372	396	419	445	471
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
Electricity tariffs								
[Insert blocks as applicable]	Basic charge - monthly	142	152	158	193	204	216	229
	Basic charge - vacant land	142	152	158	193	204	216	229
	Flat rate - Lifeline	1 066	720	795	795	886	939	996
	Credit meter							
	0 - 350 kWH	694	720	861	861	959	1 017	1 078
	351 - 600 kWH	694	980	1 133	1 190	1 300	1 378	1 461
	> 600 kWH	694	1 140	1 328	1 435	1 567	1 661	1 761
	Prepaid meter							
	0 - 350 kWH	694	720	795	795	886	939	996
	351 - 600 kWH	694	980	1 068	1 121	1 225	1 299	1 376
	> 600 kWH	694	1 140	1 277	1 379	1 506	1 596	1 692
	(fill in thresholds)							
	(fill in thresholds)							

WC032 Overstrand - Supporting Table SA14 Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	134.33	141.26	151.25	156.00	156.00	156.00	15.0%	179.40	190.16	201.57
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	694.90	953.00	1 056.28	1 126.62	1 126.62	1 126.62	8.0%	1 219.00	1 292.14	1 369.67
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	160.05	168.48	224.44	273.66	273.66	273.66	–	273.66	290.08	307.48
Sanitation	242.50	245.92	264.87	288.62	288.62	288.62	6.0%	305.94	324.29	343.75
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other										
sub-total	**1 531.34**	**1 831.46**	**2 060.87**	**2 257.18**	**2 257.18**	**2 257.18**	**7.0%**	**2 415.02**	**2 559.92**	**2 713.51**
VAT on Services	195.58	236.63	267.35	294.17	294.17	294.17		312.99	331.77	351.67
Total large household bill:	**1 726.92**	**2 068.09**	**2 328.22**	**2 551.35**	**2 551.35**	**2 551.35**	**6.9%**	**2 728.00**	**2 891.68**	**3 065.18**
% increase/-decrease		**19.8%**	**12.6%**	**9.6%**	**–**	**–**		**6.9%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	93.00	97.80	104.70	108.00	108.00	108.00	15.0%	124.20	131.65	139.55
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	347.45	399.00	438.62	456.59	456.59	456.59	8.0%	494.01	523.65	555.07
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	123.65	133.38	164.44	207.86	207.86	207.86	6.0%	220.35	233.57	247.59
Sanitation	216.25	231.74	234.17	254.84	254.84	254.84	6.0%	270.13	286.34	303.52
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other										
sub-total	**1 079.91**	**1 184.72**	**1 305.96**	**1 439.57**	**1 439.57**	**1 439.57**	**7.4%**	**1 545.71**	**1 638.45**	**1 736.76**
VAT on Services	138.17	152.17	168.18	186.42	186.42	186.42		199.01	210.95	223.61
Total small household bill:	**1 218.08**	**1 336.88**	**1 474.14**	**1 625.99**	**1 625.99**	**1 625.99**	**7.3%**	**1 744.72**	**1 849.40**	**1 960.37**
% increase/-decrease		**9.8%**	**10.3%**	**10.3%**	**–**	**–**		**7.3%**	**6.0%**	**6.0%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	51.67	54.33	58.16	60.00	60.00	60.00	15.0%	69.00	73.14	77.53
Electricity: Basic levy	142.11	151.75	157.89	192.98	192.98	192.98	6.0%	204.56	216.83	229.84
Electricity: Consumption	208.47	252.00	278.39	286.75	286.75	286.75	8.0%	310.24	328.85	348.59
Water: Basic levy	80.70	87.72	92.98	96.49	96.49	96.49	6.0%	102.28	108.42	114.92
Water: Consumption	91.25	98.28	104.44	142.06	142.06	142.06	6.0%	150.60	159.64	169.21
Sanitation	190.00	204.15	203.48	221.07	221.07	221.07	6.0%	234.33	248.39	263.30
Refuse removal	76.75	83.33	113.16	122.81	122.81	122.81	6.0%	130.18	137.99	146.27
Other	(424.05)	(468.47)	(521.33)	(598.16)	(598.16)	(598.16)	(6.0%)	(635.06)	(673.16)	(713.55)
sub-total	**416.90**	**463.09**	**487.17**	**524.00**	**524.00**	**524.00**	**8.0%**	**566.13**	**600.10**	**636.11**
VAT on Services	51.13	57.23	60.06	64.96	64.96	64.96		69.60	73.77	78.20
Total small household bill:	**468.03**	**520.32**	**547.23**	**588.96**	**588.96**	**588.96**	**7.9%**	**635.73**	**673.88**	**714.31**
% increase/-decrease		**11.2%**	**5.2%**	**7.6%**	**–**	**–**		**7.9%**	**6.0%**	**6.0%**

WC032 Overstrand - Supporting Table SA15 Investment particulars by type

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	50 000	75 000	55 042						
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	1 262	5 691	11 597	16 379	16 379	16 379	22 207	27 825	33 508
Repurchase Agreements - Banks									
Municipal Bonds									
Consolidated total:	**51 262**	**80 691**	**66 638**	**16 379**	**16 379**	**16 379**	**22 207**	**27 825**	**33 508**

WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality													
LIBERTY 15934476	15 YEARS	POLICY	YES	VARIABLE				01/09/2025	6 383	298		1 500	**8 181**
LIBERTY 21196964	14 YEARS	POLICY	YES	VARIABLE				01/09/2025	9 186	252		3 100	**12 538**
MOMENTUM 3853776	15 YEARS	POLICY	YES	VARIABLE				01/07/2026	1 079	48		360	**1 488**
													–
													–
													–
													–
TOTAL INVESTMENTS AND INTEREST									**16 649**		**–**	**4 960**	**22 207**

WC032 Overstrand - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality									
Long-Term Loans (annuity/reducing balance)	247 081	250 581	274 394	291 789	291 789	291 789	307 225	325 005	339 982
Long-Term Loans (non-annuity)		90 000	90 000	100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock									
Instalment Credit							4 541	3 219	1 713
Financial Leases		623	260						
Total Borrowing	**247 081**	**341 204**	**364 654**	**391 789**	**391 789**	**391 789**	**411 766**	**428 224**	**441 696**

Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)		18 255							
Total Unspent Borrowing	**–**	**18 255**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table SA18 Transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**28 670**	**33 973**	**39 528**	**44 783**	**45 383**	**45 383**	**54 673**	**66 665**	**74 746**
Local Government Equitable Share	26 920	31 156	36 146	41 949	41 949	41 949	52 021	64 199	72 027
Finance Management	1 000	1 250	1 250	700	1 300	1 300	884	1 500	1 700
Municipal Systems Improvement	750	790	800	890	890	890	–	966	1 019
EPWP Incentive		777	1 332	1 244	1 244	1 244	1 768		
Other transfers/grants [insert description]									
Provincial Government:	**27 236**	**783**	**2 727**	**23 601**	**24 718**	**24 718**	**3 734**	**17 372**	**25 163**
Housing	26 488		1 659	20 045	19 845	19 845	183	10 702	21 264
Emergency Housing Programme (EHP)					200	200	220	242	266
Provincial Library Grant	608	640	704	805	805	805	3 182	6 373	3 575
Finanicial Management Support Grant					800	800			
Greenest Municipality					50	50			
Community Development Worker Grant	100	78	81		49	49	52	55	58
Main Road Subsidy	40	65	65	2 651	2 651	2 651	97		
Sport & Recreation Grant				100	100	100			
Housing consumer education/ Thusong Service Cen	–		218		218	218			
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**17 120**	**–**	**–**	**–**	**883**	**883**	**–**	**–**	**–**
ACIP	15 770								
Prov Govt. Nelson Mandela Commemoration					100	100			
Prov Govt. ICT Projects for Libraries					25	25			
Table Mountain Fund					240	240			
Public Contr. KCIH					200	200			
Public Contr. Duitse Friedrich Naumann					319	319			
Mobility Strategy/National lotto/DWAF/etc	1 350	–							
Total Operating Transfers and Grants	**73 026**	**34 756**	**42 255**	**68 384**	**70 985**	**70 985**	**58 407**	**84 037**	**99 909**
Capital Transfers and Grants									
National Government:	**23 784**	**54 183**	**37 839**	**26 325**	**25 718**	**25 718**	**24 174**	**23 587**	**24 388**
Municipal Infrastructure Grant (MIG)	9 209	13 971	16 947	18 755	18 755	18 755	20 674	21 587	22 388
Public Transport and Systems			1 500						
Regional Bulk Infrastructure		36 212	15 174						
Neighbourhood Development Partnership	10 936	2 000	2 418	3 970	3 963	3 963			
Finance Management				600			566		
Municipal Systems Improvement							934		
INEP	3 639	2 000	1 800	3 000	3 000	3 000	2 000	2 000	2 000
Provincial Government:	**6 348**	**6 605**	**18 693**	**6 671**	**6 671**	**6 671**	**10 060**	**15 900**	**7 000**
Housing/ABS/CDW/Library	6 348	6 605	18 693	5 689	5 689	5 689	7 810	15 900	7 000
Sport & Recreation Grant							100		
Provincial Library Grant							2 150		
Pronicial Transport Infrastructure Grant				982	982	982			
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**1 000**	**–**	**–**	**–**	**–**	**–**	**2 134**	**–**	**–**
Mobility strategy (pound)/ Walkways	1 000								
DWA ACIP							1 000		
Spaces 4 Sport							51		
Eskom Rebate/National Lotto							1 083		
Total Capital Transfers and Grants	**31 132**	**60 787**	**56 532**	**32 996**	**32 389**	**32 389**	**36 368**	**39 487**	**31 388**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**104 158**	**95 543**	**98 787**	**101 380**	**103 374**	**103 374**	**94 775**	**123 524**	**131 297**

WC032 Overstrand - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**1 750**	**2 817**	**2 810**	**3 434**	**3 084**	**3 084**	**2 652**	**2 466**	**2 719**
Local Government Equitable Share									
Finance Management		1 250	698	1 300	1 300	1 300	884	1 500	1 700
Municipal Systems Improvement	1 000	790	780	890	540	540	–	966	1 019
EPWP Incentive	750	777	1 332	1 244	1 244	1 244	1 768		
Other transfers/grants [insert description]									
Provincial Government:	**29 707**	**4 032**	**2 722**	**23 601**	**25 271**	**25 271**	**3 734**	**17 372**	**25 163**
Housing	28 845	3 186	1 659	20 045	19 845	19 845	183	10 702	21 264
Emergency Housing Programme (EHP)					200	200	220	242	266
Provincial Library Grant	608	640	691	805	795	795	3 182	6 373	3 575
Finanicial Management Support Grant					800	800			
Greenest Municipality					50	50			
Community Development Worker Grant	100	78	70		49	49	52	55	58
Main Road Subsidy	40	65	65	2 651	3 314	3 314	97		
Sport & Recreation Grant				100					
Housing consumer education/ Thusong Service Cen	114	63	237		218	218			
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**14 187**	**–**	**2**	**–**	**300**	**300**	**–**	**–**	**–**
ACIP	13 250								
Prov Govt. Nelson Mandela Commemoration					100	100			
Public Contr. KCIH					200	200			
Mobility Strategy/National lotto/DWAF/etc	937	–	2						
Total operating expenditure of Transfers and Grants:	**45 644**	**6 849**	**5 534**	**27 035**	**28 655**	**28 655**	**6 386**	**19 838**	**27 882**
Capital expenditure of Transfers and Grants									
National Government:	**17 243**	**54 183**	**36 911**	**25 725**	**22 105**	**22 105**	**24 174**	**23 587**	**24 388**
Municipal Infrastructure Grant (MIG)	6 631	13 971	16 947	18 755	18 755	18 755	20 674	21 587	22 388
Public Transport and Systems									
Regional Bulk Infrastructure		36 212	15 174						
Neighbourhood Development Partnership	6 973	2 000	2 418	3 970					
Municipal Systems Improvement					350	350	566		
Finance Management							934		
INEP	3 639	2 000	2 372	3 000	3 000	3 000	2 000	2 000	2 000
Provincial Government:	**6 837**	**–**	**16 675**	**13 662**	**13 742**	**13 742**	**10 060**	**15 900**	**7 000**
Housing/ABS/CDW/Library	6 837	–	16 675	11 180	11 150	11 150	7 810	15 900	7 000
Sport & Recreation Grant					100	100	100		
Provincial Library Grant					10	10	2 150		
Mobility strategy (pound)/ Walkways	19	650	223	2 482	2 482	2 482			
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]									
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**2 134**	**–**	**–**
DWA ACIP							1 000		
Spaces 4 Sport							51		
Eskom Rebate/National Lotto							1 083		
Total capital expenditure of Transfers and Grants	**24 080**	**54 183**	**53 586**	**39 387**	**35 847**	**35 847**	**36 368**	**39 487**	**31 388**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**69 724**	**61 032**	**59 120**	**66 422**	**64 502**	**64 502**	**42 754**	**59 325**	**59 270**

WC032 Overstrand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–					
Current year receipts	28 670	33 973	38 956	44 783	45 383	45 383	54 673	66 665	74 746
Conditions met - transferred to revenue	**28 670**	**33 973**	**38 956**	**44 783**	**45 383**	**45 383**	**54 673**	**66 665**	**74 746**
Conditions still to be met - transferred to liabilities	–	–	–						
Provincial Government:									
Balance unspent at beginning of the year	205	129	66						
Current year receipts	29 639	3 969	2 705	23 601	24 718	24 718	3 734	17 372	25 163
Conditions met - transferred to revenue	**29 714**	**4 032**	**2 724**	**23 601**	**24 718**	**24 718**	**3 734**	**17 372**	**25 163**
Conditions still to be met - transferred to liabilities	129	66	47						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	**58 384**	**38 005**	**41 680**	**68 384**	**70 101**	**70 101**	**58 407**	**84 037**	**99 909**
Total operating transfers and grants - CTBM	**129**	**66**	**47**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	–		–					
Current year receipts	14 575	40 212	19 964	26 325	25 718	25 718	24 174	23 587	24 388
Conditions met - transferred to revenue	**10 612**	**40 212**	**19 964**	**22 365**	**29 363**	**29 363**	**24 174**	**23 587**	**24 388**
Conditions still to be met - transferred to liabilities	3 963	–	–	3 960	(3 645)	(3 645)			
Provincial Government:									
Balance unspent at beginning of the year	–	981	3 750	6 991					
Current year receipts	14 160	17 390	37 162	6 671	6 671	6 671	10 060	15 900	7 000
Conditions met - transferred to revenue	**13 179**	**14 621**	**33 845**	**13 662**	**6 671**	**6 671**	**10 060**	**15 900**	**7 000**
Conditions still to be met - transferred to liabilities	981	3 750	7 067						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts							2 134		
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**2 134**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	**23 791**	**54 833**	**53 809**	**36 028**	**36 034**	**36 034**	**36 368**	**39 487**	**31 388**
Total capital transfers and grants - CTBM	**4 944**	**3 750**	**7 067**	**3 960**	**(3 645)**	**(3 645)**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**82 176**	**92 838**	**95 489**	**104 412**	**106 135**	**106 135**	**94 775**	**123 524**	**131 297**
TOTAL TRANSFERS AND GRANTS - CTBM	**5 073**	**3 816**	**7 114**	**3 960**	**(3 645)**	**(3 645)**	**–**	**–**	**–**

WC032 Overstrand - Supporting Table SA21 Transfers and grants made by the municipality

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Transfers to other municipalities									
Insert description									
Total Cash Transfers To Municipalities:	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms									
Insert description									
Total Cash Transfers To Entities/Ems'	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State									
Insert description									
Total Cash Transfers To Other Organs Of State:	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations									
Grant-in-aid	82	370	398		451	451	–	507	538
Badisa							30		
Overstrand Association for People with Disabilities							8		
Ikamva							10		
Overstrand Conservation Foundation							25		
Hermanus Botanical Society							20		
Kleimond Child Welfare							15		
Overstrand Hospice							28		
Hangklip Community Care Centre							15		
Recycle Swop Shop							10		
Siyazama Service Centre for the Aged							20		
Overberg Wheelchair Association	–	–	–				20		
Overstrand Arts							20		
National Sea Rescue Institute							47		
S.H.A.R.E							10		
Total Cash Transfers To Organisations	**82**	**370**	**398**	**–**	**451**	**451**	**278**	**507**	**538**
Cash Transfers to Groups of Individuals									
Indigent grant	23 538	28 084	35 458	38 766	38 766	38 766	41 092	43 557	46 171
Total Cash Transfers To Groups Of Individuals:	**23 538**	**28 084**	**35 458**	**38 766**	**38 766**	**38 766**	**41 092**	**43 557**	**46 171**
TOTAL CASH TRANSFERS AND GRANTS	**23 620**	**28 454**	**35 856**	**38 766**	**39 217**	**39 217**	**41 370**	**44 065**	**46 708**
Non-Cash Transfers to other municipalities									
Insert description									
Total Non-Cash Transfers To Municipalities:	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms									
Insert description									
Total Non-Cash Transfers To Entities/Ems'	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State									
Insert description									
Total Non-Cash Transfers To Other Organs Of State:	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations									
Insert description									
Total Non-Cash Grants To Organisations	–	–	–	–	–	–	–	–	–
Groups of Individuals									
Insert description									
Total Non-Cash Grants To Groups Of Individuals:	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	**23 620**	**28 454**	**35 856**	**38 766**	**39 217**	**39 217**	**41 370**	**44 065**	**46 708**

WC032 Overstrand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 840	6 717	7 084	7 197	7 456	7 456	7 968	8 525	9 122
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance									
Cellphone Allowance				380	522	522	548	583	621
Housing Allowances									
Other benefits and allowances									
Sub Total - Councillors	**4 840**	**6 717**	**7 084**	**7 577**	**7 978**	**7 978**	**8 516**	**9 109**	**9 744**
% increase		**38.8%**	**5.5%**	**7.0%**	**5.3%**	**–**	**6.7%**	**7.0%**	**7.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	7 194	7 082	8 185	8 657	8 647	8 647	9 190	9 814	10 481
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance	126	128	139	146	146	146	163	173	183
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	**7 320**	**7 210**	**8 324**	**8 803**	**8 793**	**8 793**	**9 354**	**9 987**	**10 664**
% increase		**(1.5%)**	**15.5%**	**5.7%**	**(0.1%)**	**–**	**6.4%**	**6.8%**	**6.8%**
Other Municipal Staff									
Basic Salaries and Wages	106 593	116 931	132 897	146 098	156 684	156 684	175 220	187 760	200 647
Pension and UIF Contributions	26 519	21 014	23 993	27 080	27 758	27 758	29 321	31 171	33 197
Medical Aid Contributions	7 007	7 354	8 176	11 179	11 355	11 355	11 463	12 432	13 615
Overtime	10 485	12 030	12 423	12 233	11 146	11 146	13 913	14 859	15 819
Performance Bonus	8 028	9 483	10 823	12 011					
Motor Vehicle Allowance	7 026	8 240	9 178	10 714	10 870	10 870	11 760	11 783	12 033
Cellphone Allowance		725	1 924	1 356	1 367	1 367	1 474	1 526	1 609
Housing Allowances	968	1 023	1 046	945	951	951	1 018	978	977
Other benefits and allowances	13 387	10 461	11 256	9 082	9 118	9 118	11 118	11 512	12 278
Payments in lieu of leave				900	2 246	2 246	2 350	2 491	2 640
Long service awards			690	813	831	831	1 200	1 211	1 598
Post-retirement benefit obligations		13 467	10 795	9 630	11 335	11 335	11 875	12 588	13 343
Sub Total - Other Municipal Staff	**180 013**	**200 729**	**223 203**	**242 039**	**243 661**	**243 661**	**270 713**	**288 310**	**307 757**
% increase		**11.5%**	**11.2%**	**8.4%**	**0.7%**	**–**	**11.1%**	**6.5%**	**6.7%**
Total Parent Municipality	**192 173**	**214 656**	**238 611**	**258 419**	**260 431**	**260 431**	**288 582**	**307 406**	**328 164**
		11.7%	**11.2%**	**8.3%**	**0.8%**	**–**	**10.8%**	**6.5%**	**6.8%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**192 173**	**214 656**	**238 611**	**258 419**	**260 431**	**260 431**	**288 582**	**307 406**	**328 164**
% increase		**11.7%**	**11.2%**	**8.3%**	**0.8%**	**–**	**10.8%**	**6.5%**	**6.8%**
TOTAL MANAGERS AND STAFF	**187 333**	**207 939**	**231 527**	**250 842**	**252 453**	**252 453**	**280 066**	**298 298**	**318 421**

WC032 Overstrand - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker	1	579 418		21 912			601 330
Chief Whip							–
Executive Mayor	1	724 246		21 912			746 158
Deputy Executive Mayor	1	579 418		21 912			601 330
Executive Committee	4	2 172 836		87 648			2 260 484
Total for all other councillors	18	3 911 814		394 416			4 306 230
Total Councillors	**25**	**7 967 732**	**–**	**547 800**			**8 515 532**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 659 212		23 311			1 682 523
Chief Finance Officer	1	1 524 238		23 311			1 547 549
Management Services	1	1 145 643		23 311			1 168 954
Community Services	1	1 261 170		23 310			1 284 480
Infrastructure & Planning	1	1 531 997		23 311			1 555 308
LED	1	1 052 560		23 311			1 075 871
Protection Services	1	1 015 527		23 311			1 038 838
Total Senior Managers of the Municipality	**7**	**9 190 347**	**–**	**163 176**	**–**		**9 353 523**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**32**	**17 158 079**	**–**	**710 976**	**–**		**17 869 055**

WC032 Overstrand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	7	7		7	7		7	7	
Other Managers	56	50		57	49		57	49	
Professionals	*53*	*51*	–	*53*	*52*	–	*54*	*52*	–
Finance	22	21		22	21		22	21	
Spatial/town planning	8	7		8	8		9	8	
Information Technology									
Roads	8	8		8	8		8	8	
Electricity	5	5		5	5		5	5	
Water	4	4		4	4		4	4	
Sanitation	3	3		3	3		3	3	
Refuse	3	3		3	3		3	3	
Other									
Technicians	*213*	*184*	–	*213*	*203*	–	*213*	*203*	–
Finance									
Spatial/town planning	6	6		6	6		6	6	
Information Technology	3	3		3	3		3	3	
Roads	3	2		3	2		3	2	
Electricity	22	17		22	18		22	18	
Water	4	2		4	2		4	2	
Sanitation	6	3		6	4		6	4	
Refuse	3	3		3	3		3	3	
Other	166	148		166	165		166	165	
Clerks (Clerical and administrative)	187	176		189	177		189	177	
Service and sales workers	54	52		54	51		54	51	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	42	26		42	23		42	23	
Elementary Occupations	487	471		487	474		487	474	
TOTAL PERSONNEL NUMBERS	**1 124**	**1 024**	**–**	**1 127**	**1 043**	**–**	**1 128**	**1 043**	**–**
% increase				0.3%	1.9%	–	0.1%	–	–
Total municipal employees headcount	**1 099**	**1 031**		**1 102**	**1 036**		**1 102**	**1 036**	
Finance personnel headcount	**126**	**117**		**126**	**116**		**126**	**11**	
Human Resources personnel headcount	**17**	**15**		**19**	**18**		**19**	**18**	

WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	14 269	12 174	12 159	12 263	12 164	12 263	12 211	12 307	12 223	12 428	12 173	12 006	148 640	158 025	165 498
Property rates - penalties & collection charges	81	99	93	79	80	78	78	79	78	76	73	155	1 050	1 103	1 158
Service charges - electricity revenue	30 670	29 815	27 877	25 232	24 179	24 160	21 249	18 683	24 652	26 355	27 433	29 782	310 085	333 146	349 869
Service charges - water revenue	6 589	5 524	6 593	6 613	8 606	9 583	11 699	9 198	9 063	8 593	6 703	7 131	95 897	99 943	105 503
Service charges - sanitation revenue	4 432	4 370	4 758	4 609	5 073	5 705	7 064	5 544	5 838	5 072	5 039	5 952	63 455	66 997	70 759
Service charges - refuse revenue	4 742	4 660	4 714	4 736	4 748	4 737	4 521	4 697	4 701	4 711	4 685	4 480	56 130	59 500	63 074
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	667	494	445	514	1 052	923	667	473	665	343	277	1 446	7 966	8 739	9 615
Interest earned - external investments	562	521	577	610	581	586	466	540	425	543	605	152	6 166	6 210	6 255
Interest earned - outstanding debtors	193	213	196	197	177	188	191	197	191	191	188	166	2 288	2 234	2 322
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	498	431	588	498	415	930	623	991	636	873	607	876	7 965	7 378	7 817
Licences and permits	185	205	143	168	160	145	217	205	165	196	203	238	2 229	2 447	2 686
Agency services	174	164	142	205	212	181	228	172	170	198	200	433	2 480	2 727	3 000
Transfers recognised - operational	13 386	112	239	91	243	17 444	344	2 233	8 542	8 055	849	6 869	58 407	84 037	99 909
Other revenue	1 679	1 202	1 406	2 458	2 108	1 850	1 453	1 248	1 582	1 868	1 727	3 135	21 717	22 855	24 404
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and contrib	**78 126**	**59 983**	**59 931**	**58 272**	**59 798**	**78 772**	**61 012**	**56 568**	**68 931**	**69 502**	**60 760**	**72 821**	**784 474**	**855 339**	**911 867**
Expenditure By Type															
Employee related costs	18 644	19 624	19 996	19 446	30 484	29 524	23 313	24 613	21 744	25 434	20 170	27 073	280 066	298 298	318 421
Remuneration of councillors	709	709	709	709	709	709	709	709	709	709	709	717	8 516	9 109	9 744
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	9 591	9 591	9 591	9 591	9 591	9 591	9 521	9 521	9 583	9 583	9 583	3 928	109 265	111 199	112 750
Finance charges	141	–	–	4 907	–	9 478	–	–	121	8 128	–	22 387	45 162	47 472	49 508
Bulk purchases	2 709	20 776	21 093	9 127	10 994	18 036	13 741	12 741	15 160	18 121	13 346	13 599	169 444	183 000	197 640
Other materials	1 512	1 961	1 108	1 474	1 706	1 557	1 059	1 059	942	1 044	1 480	2 393	17 295	20 201	19 151
Contracted services	829	5 309	3 140	5 613	4 605	3 937	4 823	6 823	8 075	18 059	10 840	9 010	81 062	95 248	100 837
Transfers and grants	3 443	3 522	3 505	3 406	3 331	3 690	1 388	1 388	2 914	2 934	2 923	8 927	41 370	44 065	46 708
Other expenditure	5 968	8 542	9 156	10 456	12 240	10 117	18 537	9 683	6 465	9 681	7 778	8 785	117 407	142 792	158 088
Loss on disposal of PPE												–	–	–	–
Total Expenditure	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit)	**34 579**	**(10 052)**	**(8 368)**	**(6 457)**	**(13 863)**	**(7 868)**	**(12 079)**	**(9 969)**	**3 218**	**(24 192)**	**(6 068)**	**(23 997)**	**(85 115)**	**(96 044)**	**(100 980)**
Transfers recognised - capital		2 024	1 533	3 009	4 632	7 264	3 553	472	1 671	4 683	2 084	3 306	34 234	39 487	31 388
Contributions recognised - capital	51					500						1 583	2 134	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**34 630**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 107)**	**(48 747)**	**(56 557)**	**(69 592)**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**34 630**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 107)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote															
Vote 1 - Council	18 713	27	22	399	45	15 394	27	25	13 377	4 946	29	(605)	52 401	65 565	73 466
Vote 2 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Management Services	115	46	8	212	65	9	113	39	36	111	60	1 596	2 410	961	961
Vote 4 - Finance	18 026	15 549	15 705	15 844	15 531	15 551	15 601	7 380	12 747	13 212	13 251	10 697	169 095	179 861	188 464
Vote 5 - Community Services	14 878	24 080	19 067	17 660	7 846	24 652	23 583	19 806	21 074	26 037	22 343	40 796	261 822	293 836	307 536
Vote 6 - Local Economic Development	24	318	218	340	34	524	121	65	80	500	250	494	2 968	1 200	1 200
Vote 7 - Infrastructure & Planning	25 528	21 259	25 861	25 867	39 959	29 633	23 892	28 334	22 157	27 988	25 737	22 747	318 962	340 309	357 549
Vote 8 - Protection Services	842	726	584	959	950	772	1 227	1 390	1 131	1 391	1 174	2 037	13 184	13 093	14 079
Total Revenue by Vote	**78 126**	**62 006**	**61 464**	**61 282**	**64 430**	**86 536**	**64 565**	**57 040**	**70 602**	**74 185**	**62 844**	**77 761**	**820 842**	**894 826**	**943 255**
Expenditure by Vote to be appropriated															
Vote 1 - Council	4 345	4 454	4 424	4 681	5 462	5 967	4 465	3 104	4 589	5 387	4 010	12 401	63 289	67 543	71 596
Vote 2 - Municipal Manager	48	25	49	88	62	129	132	74	55	163	67	111	1 003	1 001	1 070
Vote 3 - Management Services	1 357	1 479	1 468	755	951	1 515	803	1 074	1 373	202	918	3 295	15 189	16 243	17 335
Vote 4 - Finance	2 862	1 404	3 678	3 655	3 193	3 012	2 253	1 795	856	1 340	1 273	(819)	24 503	32 830	30 544
Vote 5 - Community Services	10 879	29 000	22 858	27 872	34 665	49 467	36 975	35 596	23 471	45 143	34 896	35 863	386 685	444 986	477 881
Vote 6 - Local Economic Development	382	798	622	502	649	519	687	662	1 729	763	1 115	2 710	11 140	10 714	11 334
Vote 7 - Infrastructure & Planning	21 282	29 714	31 803	23 400	24 372	22 883	23 248	20 270	29 726	35 362	20 978	35 571	318 607	325 210	347 058
Vote 8 - Protection Services	2 391	3 161	3 396	3 775	4 307	3 148	4 529	3 961	3 915	5 334	3 571	7 685	49 173	52 855	56 029
Total Expenditure by Vote	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) before assoc.	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	**37 247**	**15 889**	**16 109**	**17 212**	**16 411**	**26 031**	**16 398**	**7 900**	**24 378**	**19 016**	**13 824**	**20 656**	**231 071**	**253 526**	**267 382**
Executive and council	18 697	31	25	404	45	10 053	29	60	11 240	4 943	30	6 886	52 442	65 606	73 507
Budget and treasury office	18 026	15 549	15 705	15 844	15 531	15 551	15 601	7 380	12 747	13 212	13 251	10 697	169 095	179 861	188 464
Corporate services	523	309	379	965	835	427	768	459	391	862	543	3 072	9 534	8 059	5 412
Community and public safety	**2 480**	**1 628**	**1 280**	**2 855**	**2 142**	**3 196**	**2 574**	**3 621**	**3 080**	**3 046**	**3 162**	**4 663**	**33 726**	**53 804**	**64 234**
Community and social services	222	218	173	184	165	150	138	70	336	195	401	151	2 402	3 600	6 766
Sport and recreation	261	295	283	353	801	781	553	871	344	505	480	4 038	9 565	9 867	14 419
Public safety	842	726	584	959	950	772	1 227	1 390	1 131	1 391	1 174	2 037	13 184	13 093	14 079
Housing	1 155	390	240	1 359	226	1 492	656	1 290	1 269	954	1 107	(1 562)	8 576	27 243	28 969
Health												–	–	–	–
Economic and environmental services	**255**	**1 008**	**871**	**1 341**	**277**	**1 508**	**510**	**1 064**	**706**	**1 335**	**1 408**	**3 655**	**13 939**	**7 721**	**9 314**
Planning and development	238	664	510	764	252	1 224	376	291	489	694	466	2 497	8 465	6 037	6 520
Road transport	9	339	356	572	20	265	125	754	217	641	942	1 158	5 397	1 600	2 700
Environmental protection	8	5	5	5	5	18	9	19	0	0	0	(0)	76	84	93
Trading services	**38 144**	**43 480**	**43 204**	**39 873**	**45 600**	**55 801**	**45 084**	**44 456**	**42 437**	**50 788**	**44 450**	**48 787**	**542 106**	**579 775**	**602 325**
Electricity	22 182	26 237	26 107	19 702	21 841	31 589	22 079	30 979	23 531	32 157	27 581	29 403	313 388	335 388	352 135
Water	6 682	7 836	7 300	9 255	12 549	11 531	11 712	1 075	8 100	7 721	6 691	6 420	96 872	106 070	111 585
Waste water management	4 837	5 053	5 383	6 478	6 575	8 191	7 075	8 009	6 413	6 496	5 801	1 844	72 155	77 967	75 459
Waste management	4 443	4 354	4 415	4 437	4 635	4 490	4 218	4 393	4 394	4 414	4 377	11 120	59 691	60 350	63 146
Other												–	–	–	–
Total Revenue - Standard	**78 126**	**62 006**	**61 464**	**61 282**	**64 430**	**86 536**	**64 565**	**57 040**	**70 602**	**74 185**	**62 844**	**77 761**	**820 842**	**894 826**	**943 255**
Expenditure - Standard															
Governance and administration	**7 515**	**8 246**	**9 530**	**10 444**	**11 968**	**15 526**	**7 725**	**7 262**	**7 466**	**17 457**	**8 622**	**15 606**	**127 368**	**146 825**	**150 731**
Executive and council	4 281	4 597	4 683	4 922	6 078	11 179	4 869	3 509	5 351	6 324	4 914	6 161	66 867	75 471	79 697
Budget and treasury office	2 862	1 404	3 678	3 655	3 193	3 012	2 253	1 795	856	1 340	1 273	(819)	24 503	32 830	30 544
Corporate services	372	2 244	1 170	1 867	2 698	1 336	603	1 958	1 259	9 793	2 435	10 264	35 998	38 524	40 490
Community and public safety	**5 864**	**7 391**	**7 517**	**8 373**	**10 189**	**8 012**	**8 232**	**11 373**	**7 974**	**17 085**	**7 617**	**13 908**	**113 536**	**130 898**	**149 270**
Community and social services	2 093	2 481	2 417	2 646	3 686	2 508	1 254	5 366	2 273	2 718	2 417	2 703	32 563	34 346	36 685
Sport and recreation	1 297	1 608	1 612	1 768	2 008	2 245	2 348	1 852	1 683	1 902	1 519	2 402	22 245	23 223	24 926
Public safety	2 391	3 161	3 396	3 775	4 307	3 148	4 529	3 961	3 915	5 334	3 571	7 685	49 173	52 855	56 029
Housing	83	141	91	183	188	111	101	193	103	7 131	110	1 118	9 554	20 473	31 629
Health												–	–	–	–
Economic and environmental services	**7 334**	**8 575**	**9 635**	**10 746**	**11 284**	**10 778**	**11 787**	**9 835**	**15 925**	**17 457**	**15 676**	**10 482**	**139 514**	**147 044**	**153 028**
Planning and development	1 574	2 340	3 037	2 540	3 917	2 765	2 165	2 763	8 636	3 052	2 889	1 634	37 314	38 607	40 998
Road transport	5 422	5 893	6 217	7 857	6 632	7 503	9 153	6 586	6 778	14 009	12 169	6 948	95 166	101 024	104 103
Environmental protection	339	342	381	349	735	510	469	486	510	396	619	1 900	7 035	7 412	7 927
Trading services	**22 834**	**45 823**	**41 616**	**35 166**	**40 219**	**52 323**	**45 346**	**38 067**	**34 348**	**41 694**	**34 913**	**56 821**	**489 171**	**526 617**	**559 817**
Electricity	11 755	32 073	27 478	18 396	22 447	31 452	30 739	23 865	20 201	22 152	19 887	11 942	272 386	276 444	295 533
Water	4 615	5 482	5 597	7 790	6 741	9 251	6 461	6 035	6 033	9 032	5 818	20 302	93 157	114 171	118 828
Waste water management	3 717	4 404	4 414	5 026	5 509	7 264	3 201	4 436	3 934	5 166	4 901	15 166	67 138	74 952	79 130
Waste management	2 746	3 863	4 128	3 955	5 522	4 356	4 945	3 732	4 180	5 345	4 307	9 411	56 489	61 050	66 326
Other												–	–	–	–
Total Expenditure - Standard	**43 547**	**70 035**	**68 299**	**64 729**	**73 660**	**86 640**	**73 091**	**66 537**	**65 713**	**93 693**	**66 828**	**96 817**	**869 588**	**951 383**	**1 012 847**
Surplus/(Deficit) before assoc.	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**34 579**	**(8 029)**	**(6 835)**	**(3 448)**	**(9 230)**	**(103)**	**(8 525)**	**(9 497)**	**4 889**	**(19 508)**	**(3 983)**	**(19 056)**	**(48 747)**	**(56 557)**	**(69 592)**

WC032 Overstrand - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure ***to be appropriated***															
Vote 1 - Council												–	–	–	–
Vote 2 - Municipal Manager												–	–	–	–
Vote 3 - Management Services			100		750							1 698	2 548	–	–
Vote 4 - Finance												–	–	–	–
Vote 5 - Community Services	6 550	7 200	6 800	7 400	3 099	3 980	3 750	4 774	4 280	4 905	2 700	21 500	76 938	66 662	57 618
Vote 6 - Local Economic Development												–	–	–	–
Vote 7 - Infrastructure & Planning	1 074	339	161	593	536	3 518	3 854	1 712	2 014	2 838	1 473	124	18 235	19 500	22 500
Vote 8 - Protection Services												–	–	–	–
Capital multi-year expenditure sub-total	**7 624**	**7 539**	**7 061**	**7 993**	**4 385**	**7 498**	**7 604**	**6 486**	**6 294**	**7 743**	**4 173**	**23 322**	**97 721**	**86 162**	**80 118**
Total Capital Expenditure	**7 624**	**7 539**	**7 061**	**7 993**	**4 385**	**7 498**	**7 604**	**6 486**	**6 294**	**7 743**	**4 173**	**23 322**	**97 721**	**86 162**	**80 118**

WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
Governance and administration	**330**	**140**	**250**	**1 150**	**1 000**	**2 650**	**100**	**285**	**900**	**300**	**900**	**8 811**	**16 815**	**2 675**	**7 730**
Executive and council												–	–	–	–
Budget and treasury office												–	–	–	–
Corporate services	330	140	250	1 150	1 000	2 650	100	285	900	300	900	8 811	16 815	2 675	7 730
Community and public safety	**3 800**	**3 750**	**2 200**	**2 750**	**49**	**1 080**	**450**	**674**	**1 080**	**355**	**–**	**5 017**	**21 205**	**18 839**	**13 800**
Community and social services		500	200	750		355	450	200	1 080	355		1 745	5 635	–	–
Sport and recreation	500	500	500	500								1 090	3 090	2 939	6 800
Public safety												–	–	–	–
Housing	3 300	2 750	1 500	1 500	49	725		474				2 182	12 480	15 900	7 000
Health												–	–	–	–
Economic and environmental services	**1 000**	**1 200**	**1 550**	**1 350**	**–**	**–**	**–**	**–**	**–**	**150**	**–**	**150**	**5 400**	**4 900**	**4 000**
Planning and development												–	–	–	–
Road transport	1 000	1 200	1 550	1 350						150		150	5 400	4 900	4 000
Environmental protection												–	–	–	–
Trading services	**2 594**	**2 449**	**3 061**	**3 743**	**3 336**	**5 768**	**7 054**	**5 527**	**4 914**	**6 938**	**3 773**	**5 144**	**54 300**	**59 748**	**54 588**
Electricity	844	199	11	443	286	2 868	3 754	1 427	1 714	2 538	1 073	1 844	17 000	18 500	18 500
Water	1 000	1 100	1 200	1 200	800	600	1 300	1 300	1 300	1 400	1 400	200	12 800	26 594	26 488
Waste water management	650	1 050	1 450	1 600	1 350	1 000	500	1 200	1 400	1 500	800	1 800	14 300	14 654	9 600
Waste management	100	100	400	500	900	1 300	1 500	1 600	500	1 500	500	1 300	10 200	–	–
Other												**–**	**–**	**–**	**–**
Total Capital Expenditure - Standard	**7 724**	**7 539**	**7 061**	**8 993**	**4 385**	**9 498**	**7 604**	**6 486**	**6 893**	**7 743**	**4 673**	**19 122**	**97 721**	**86 162**	**80 118**
Funded by:															
National Government	2 724	2 000				5 000	3 500	2 000	2 000	4 000	1 450	**1 500**	**24 174**	**23 587**	**24 388**
Provincial Government			789			1 250	4 104	2 500	1 550	650	790	(1 573)	10 060	15 900	7 000
District Municipality												–	–	–	–
Other transfers and grants					500							500	1 000	–	–
Transfers recognised - capital	**2 724**	**2 000**	**789**	**–**	**500**	**6 250**	**7 604**	**4 500**	**3 550**	**4 650**	**2 240**	**427**	**35 234**	**39 487**	**31 388**
Public contributions & donations												1 134	1 134	–	–
Borrowing	5 000	5 539	3 772	8 993	2 385	1 748		1 986		3 093	2 433	11 974	46 923	45 000	45 000
Internally generated funds			2 500		1 500	1 500			3 343			5 587	14 430	1 675	3 730
Total Capital Funding	**7 724**	**7 539**	**7 061**	**8 993**	**4 385**	**9 498**	**7 604**	**6 486**	**6 893**	**7 743**	4 673	19 122	97 721	86 162	80 118

WC032 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	14 235	12 142	12 127	12 229	12 132	12 231	12 180	12 272	12 192	12 396	12 141	11 977	148 254	157 839	165 416
Property rates - penalties & collection charges	81	99	93	79	80	78	78	79	78	76	73	155	1 050	1 103	1 158
Service charges - electricity revenue	30 596	29 738	27 804	25 163	24 115	24 098	21 194	18 629	24 589	26 288	27 362	29 710	309 285	332 754	349 694
Service charges - water revenue	6 573	5 509	6 576	6 595	8 584	9 559	11 669	9 171	9 040	8 571	6 686	7 114	95 648	99 825	105 450
Service charges - sanitation revenue	4 421	4 359	4 745	4 596	5 060	5 691	7 046	5 528	5 823	5 059	5 025	5 937	63 290	66 918	70 723
Service charges - refuse revenue	4 731	4 648	4 702	4 723	4 735	4 724	4 509	4 683	4 689	4 699	4 672	4 469	55 984	59 430	63 042
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	665	493	444	513	1 049	921	666	472	663	342	276	1 442	7 946	8 729	9 610
Interest earned - external investments	562	521	577	610	581	586	466	540	425	543	605	152	6 166	6 210	6 255
Interest earned - outstanding debtors	193	213	196	197	177	188	191	197	191	191	188	166	2 288	2 234	2 322
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	498	431	588	498	415	930	623	991	636	873	607	876	7 965	7 378	7 817
Licences and permits	185	205	143	168	160	145	217	205	165	196	203	238	2 229	2 447	2 686
Agency services	174	164	142	205	212	181	228	172	170	198	200	433	2 480	2 727	3 000
Transfer receipts - operational	13 386	112	239	91	243	17 444	344	2 233	8 542	8 055	849	6 869	58 407	84 037	99 909
Other revenue	1 762	1 285	1 489	2 541	2 191	1 932	1 536	1 331	1 665	1 951	1 810	3 218	22 712	21 458	15 264
Cash Receipts by Source	**78 062**	**59 919**	**59 866**	**58 208**	**59 733**	**78 708**	**60 948**	**56 504**	**68 866**	**69 438**	**60 696**	**72 757**	**783 704**	**853 087**	**902 344**
Other Cash Flows by Source															
Transfer receipts - capital	–	2 024	1 533	3 009	4 632	7 264	3 553	472	1 671	4 683	2 084	3 306	34 234	39 487	31 388
Contributions recognised - capital & Contributed assets	–	–	–	–	–	500	–	–	–	–	–	1 634	2 134	–	–
Proceeds on disposal of PPE												–	–		
Short term loans	–	–	6 482	(83)	(84)	(85)	(86)	(86)	(87)	(88)	(89)	(273)	5 520	(1 176)	(1 323)
Borrowing long term/refinancing	–	–	–	–	–	–	40 000	–	–	–	–	–	40 000	45 000	45 000
Increase (decrease) in consumer deposits	225	225	225	225	225	225	225	225	225	225	225	225	2 703	2 893	3 095
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	39 500
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	15	14	14
Decrease (increase) in non-current investments	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(486)	(5 827)	(5 618)	(5 683)
Total Cash Receipts by Source	**77 803**	**61 683**	**67 623**	**60 875**	**64 023**	**86 128**	**104 157**	**56 630**	**70 191**	**73 773**	**62 432**	**77 164**	**862 483**	**933 687**	**1 014 335**
Cash Payments by Type															
Employee related costs	18 325	19 305	19 677	19 127	30 165	29 205	22 994	24 294	21 425	25 114	19 850	26 753	276 233	293 352	313 219
Remuneration of councillors	709	709	709	709	709	709	709	709	709	709	709	717	8 516	9 109	9 744
Finance charges	141	–	–	4 907	–	9 478	–	–	121	8 128	–	22 387	45 162	47 472	49 508
Bulk purchases - Electricity	2 709	20 776	21 093	9 127	10 994	18 036	13 741	12 741	15 160	18 121	13 346	13 599	169 444	183 000	197 640
Bulk purchases - Water & Sewer												–	–		
Other materials	1 512	1 961	1 108	1 474	1 706	1 557	1 059	1 059	942	1 044	1 480	2 393	17 295	20 201	19 151
Contracted services	829	5 309	3 140	5 613	4 605	3 937	4 823	6 823	8 075	18 059	10 840	9 010	81 062	95 248	100 837
Transfers and grants - other municipalities												–	–		
Transfers and grants - other	3 443	3 522	3 505	3 406	3 331	3 690	1 388	1 388	2 914	2 934	2 923	8 927	41 370	44 065	46 708
Other expenditure	4 598	7 173	7 787	9 086	10 870	8 748	17 167	8 314	5 096	8 311	6 408	7 415	100 975	126 184	166 754
Cash Payments by Type	**32 267**	**58 755**	**57 019**	**53 449**	**62 380**	**75 359**	**61 880**	**55 327**	**54 441**	**82 422**	**55 556**	**91 201**	**740 057**	**818 632**	**903 561**
Other Cash Flows/Payments by Type															
Capital assets	7 724	7 539	7 061	8 993	4 385	9 498	7 604	6 486	6 893	7 743	4 673	19 122	97 721	86 162	80 118
Repayment of borrowing	998	–	57	4 408	965	3 588	1 002	–	61	4 698	1 033	4 252	21 061	23 929	27 220
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**40 988**	**66 294**	**64 137**	**66 849**	**67 730**	**88 445**	**70 487**	**61 813**	**61 396**	**94 863**	**61 263**	**114 575**	**858 839**	**928 723**	**1 010 898**
NET INCREASE/(DECREASE) IN CASH HELD	**36 814**	**(4 611)**	**3 486**	**(5 974)**	**(3 707)**	**(2 316)**	**33 670**	**(5 182)**	**8 796**	**(21 089)**	**1 169**	**(37 411)**	**3 644**	**4 964**	**3 437**
Cash/cash equivalents at the month/year begin	84 406	121 220	116 609	120 096	114 122	110 414	108 098	141 768	136 586	145 381	124 292	125 461	84 406	88 050	93 014
Cash/cash equivalents at the month/year end	121 220	116 609	120 096	114 122	110 414	108 098	141 768	136 586	145 381	124 292	125 461	88 050	88 050	93 014	96 452

WC032 Overstrand - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Outsourcing of sub function solid waste : Overstrand Muni	Mths	107	Outsourcing of sub function solid waste	30 October 2022	126 345
Outsourcing of sub function solid waste : Overstrand Muni	Mths	96	Outsourcing of sub function solid waste	01 May 2017	18 651
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					

WC032 Overstrand - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1: SC1127/2011 Leasing for the operation of illuminated street signs in the Overstrand Municiapl area.Term of contract 01/07/ 2012 until 31/05/2022		**185**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**		2 298
Contract 2													–
Contract 3 etc													–
Total Operating Revenue Implication	**–**	**185**	**194**	**204**	**214**	**224**	**236**	**247**	**260**	**273**	**263**	**–**	2 298
Expenditure Obligation By Contract													
Contract 1:SC867B/2010 Operation of the merchanised materiaal recovery facility at the Hermanus solid waste transfer station.Term of contract 01/12/2013 until 30/10/ 2022		730	1 130	1 216	1 309	1 409	1 519	1 639	1 770	1 912			12 634
Contract 2:SC878/2010 Operation of the Gansbaai landfill and public drop offs in greater Gansbaai and Stanford.Term of contract 01/05/2010 until 01/05/2017		3 555	3 388	2 949	3 323	3 697	1 738						18 650
Contract 3 etc													–
Total Operating Expenditure Implication	–	4 285	4 518	4 165	4 631	5 107	3 258	1 639	1 770	1 912	–	–	31 284
Capital Expenditure Obligation By Contract													
Contract 1													–
Contract 2													–
Contract 3 etc													–
Total Capital Expenditure Implication	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication	**–**	**4 285**	**4 518**	**4 165**	**4 631**	**5 107**	**3 258**	**1 639**	**1 770**	**1 912**	**–**	**–**	31 284

WC032 Overstrand - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**104 389**	**133 045**	**108 252**	**50 904**	**55 858**	**55 858**	**34 500**	**31 248**	**28 388**
Infrastructure - Road transport	20 923	12 754	15 578	9 160	9 360	9 360	800	2 000	1 000
Roads, Pavements & Bridges	15 761	5 477	10 720	9 160	9 160	9 160			
Storm water	5 162	7 278	4 858		200	200	800	2 000	1 000
Infrastructure - Electricity	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Generation									
Transmission & Reticulation	32 411	30 061	22 203	23 894	25 886	25 886	13 900	11 500	9 300
Street Lighting									
Infrastructure - Water	34 053	57 384	48 634	7 300	8 392	8 392	–	5 094	12 488
Dams & Reservoirs									
Water purification	34 053	57 384	48 634	7 300	8 392	8 392		5 094	12 488
Reticulation									
Infrastructure - Sanitation	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Reticulation									
Sewerage purification	15 142	32 650	16 478	9 150	9 180	9 180	9 600	12 654	5 600
Infrastructure - Other	1 859	196	5 359	1 400	3 041	3 041	10 200	–	–
Waste Management	1 859	196	5 359	1 400	3 041	3 041	10 200		
Transportation									
Gas									
Other									
Community	**17 814**	**6 183**	**20 997**	**13 189**	**13 609**	**13 609**	**18 266**	**17 900**	**13 800**
Parks & gardens			2 156						
Sportsfields & stadia	1 743	5 538	1 964	5 000	5 471	5 471	151	2 000	6 800
Swimming pools									
Community halls									
Libraries			3				2 000		
Recreational facilities									
Fire, safety & emergency									
Security and policing	19	645	223						
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing	7 118		16 651	5 689	3 366	3 366	12 480	15 900	7 000
Other	8 934		–	2 500	4 772	4 772	3 635		
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**31 796**	**23 118**	**9 038**	**6 638**	**8 358**	**8 358**	**16 815**	**2 675**	**7 730**
General vehicles	2 847	6 800		4 695	4 695	4 695	10 525	1 000	3 000
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	1 629	3 838		600	1 030	1 030	2 548		
Furniture and other office equipment	3 202	148		1 343	2 633	2 633	2 508	675	730
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	24 118	12 332							
Other Land									
Surplus Assets - (Investment or Inventory)			9 038						
Other							1 235	1 000	4 000
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	118	928	1 330	–	–	–	–	–	–
Computers - software & programming	118	928	1 330						
Other *(list sub-class)*									
Total Capital Expenditure on new assets	**154 117**	**163 275**	**139 617**	**70 731**	**77 825**	**77 825**	**69 581**	**51 823**	**49 918**

WC032 Overstrand - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	–	–	131	32 610	38 826	38 826	25 200	33 400	30 200
Infrastructure - Road transport	–	–	131	8 710	7 069	7 069	5 400	4 900	4 000
Roads, Pavements & Bridges				8 710	7 069	7 069	5 400	4 900	4 000
Storm water			131						
Infrastructure - Electricity	–	–	–	13 300	13 344	13 344	3 100	7 000	9 200
Generation									
Transmission & Reticulation				13 300	13 344	13 344	3 100	7 000	9 200
Street Lighting									
Infrastructure - Water	–	–	–	8 600	15 440	15 440	12 800	21 500	14 000
Dams & Reservoirs				200	200	200			
Water purification									
Reticulation				8 400	15 240	15 240	12 800	21 500	14 000
Infrastructure - Sanitation	–	–	–	2 000	2 974	2 974	3 900	–	3 000
Reticulation									
Sewerage purification				2 000	2 974	2 974	3 900		3 000
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Gas									
Other									
Community	–	–	756	5 716	8 992	8 992	2 939	939	–
Parks & gardens									
Sportsfields & stadia				225	225	225	2 939	939	
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries			756						
Social rental housing				5 491	7 784	7 784			
Other					984	984			
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development									
Other									
Other assets	–	–	3 260	–	–	–	–	–	–
General vehicles			3 260						
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	839	839	839	–	–	–
Computers - software & programming				839	839	839			
Other *(list sub-class)*									
Total Capital Expenditure on renewal of existing assets	–	–	4 147	39 166	48 657	48 657	28 139	34 339	30 200
Renewal of Existing Assets as % of total capex	*0.0%*	*0.0%*	*2.9%*	*35.6%*	*38.5%*	*38.5%*	*28.8%*	*39.9%*	*37.7%*
Renewal of Existing Assets as % of deprecn"	*0.0%*	*0.0%*	*3.9%*	*37.7%*	*47.7%*	*47.7%*	*25.8%*	*30.9%*	*26.8%*

WC032 Overstrand - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**38 271**	**43 120**	**87 048**	**135 022**	**131 381**	**131 381**	**136 752**	**155 760**	**162 666**
Infrastructure - Road transport	25 980	25 843	42 236	62 485	63 816	63 816	68 540	77 488	78 375
Roads, Pavements & Bridges	25 391	25 231	39 790	58 578	60 122	60 122	62 232	70 792	71 258
Storm water	588	611	2 446	3 907	3 694	3 694	6 308	6 696	7 118
Infrastructure - Electricity	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Generation									
Transmission & Reticulation	3 998	4 601	14 105	27 457	21 945	21 945	25 491	20 986	25 286
Street Lighting									
Infrastructure - Water	3 568	6 892	21 502	28 574	27 464	27 464	26 775	36 668	36 918
Dams & Reservoirs	3 568	52	80						
Water purification		1 709	1 963						
Reticulation		5 132	19 459	28 574	27 464	27 464	26 775	36 668	36 918
Infrastructure - Sanitation	3 564	4 568	7 708	14 662	16 443	16 443	14 146	18 386	19 644
Reticulation	3 564	3 687	6 623						
Sewerage purification		882	1 085	14 662	16 443	16 443	14 146	18 386	19 644
Infrastructure - Other	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Waste Management	1 162	1 215	1 499	1 844	1 714	1 714	1 800	2 232	2 442
Transportation									
Gas									
Other									
Community	**3 574**	**6 012**	**5 408**	**8 252**	**8 749**	**8 749**	**9 298**	**10 114**	**11 373**
Parks & gardens	993	1 410	1 503	2 568	2 602	2 602	2 819	3 010	3 233
Sportsfields & stadia	399	456	956	1 034	959	959	1 023	1 152	1 221
Swimming pools	312	228	289	303	224	224	302	331	347
Community halls	1 017	734	916	904	1 128	1 128	906	906	975
Libraries	110	180	161	221	235	235	171	197	213
Recreational facilities									
Fire, safety & emergency	641	538	848	841	975	975	1 185	1 291	1 407
Security and policing		524	546	638	630	630	781	859	945
Buses				–					
Clinics				–					
Museums & Art Galleries				–					
Cemeteries	103	37	62	55	51	51	53	57	62
Social rental housing				317	317	317	335	346	350
Other		1 905	125	1 372	1 627	1 627	1 724	1 965	2 622
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**199**	**270**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development	199	270							
Other									
Other assets	**16 195**	**15 443**	**21 958**	**20 086**	**14 666**	**14 666**	**16 218**	**21 086**	**21 989**
General vehicles	4 600	4 682	5 399						
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	4 215	4 309	5 035	5 852	4 737	4 737	6 157	6 490	6 826
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	1 449	1 023	1 368	1 173	1 133	1 133	1 214	1 299	1 376
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	5 931	5 429	10 156	13 061	8 795	8 795	8 846	13 296	13 787
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other *(list sub-class)*									
Total Repairs and Maintenance Expenditure	**58 239**	**64 845**	**114 414**	**163 360**	**154 795**	**154 795**	**162 268**	**186 960**	**196 027**
R&M as a % of PPE	*1.9%*	*2.1%*	*3.7%*	*5.3%*	*5.0%*	*5.0%*	*5.3%*	*6.1%*	*6.5%*
R&M as % Operating Expenditure	*9.1%*	*8.7%*	*15.3%*	*19.8%*	*18.7%*	*18.7%*	*18.7%*	*19.7%*	*19.4%*

WC032 Overstrand - Supporting Table SA34d Depreciation by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation by Asset Class/Sub-class									
Infrastructure	**89 270**	**87 037**	**81 024**	**90 494**	**86 361**	**86 361**	**93 344**	**94 954**	**96 507**
Infrastructure - Road transport	36 975	36 340	29 902	37 311	30 673	30 673	31 514	31 709	32 187
Roads, Pavements & Bridges	34 887	34 105	27 879	37 311	28 652	28 652	29 493	29 688	30 135
Storm water	2 088	2 235	2 023		2 021	2 021	2 021	2 021	2 051
Infrastructure - Electricity	18 645	18 441	18 751	22 284	20 880	20 880	22 789	23 022	23 425
Generation									
Transmission & Reticulation	18 645	18 441	18 751	22 284	20 880	20 880	22 789	23 022	23 425
Street Lighting									
Infrastructure - Water	16 932	16 029	16 106	14 546	17 424	17 424	20 368	21 371	21 745
Dams & Reservoirs	16 932	16 029	16 106	14 546	17 424	17 424	20 368	21 371	21 745
Water purification									
Reticulation									
Infrastructure - Sanitation	13 808	13 422	13 391	12 696	14 127	14 127	15 067	15 245	15 489
Reticulation	13 808	13 422	13 391	12 696	14 127	14 127	15 067	15 245	15 489
Sewerage purification									
Infrastructure - Other	2 909	2 804	2 874	3 657	3 257	3 257	3 607	3 607	3 661
Waste Management	2 189	2 168	2 256	3 657	3 257	3 257	3 607	3 607	3 661
Transportation									
Gas									
Other	720	637	618						
Community	**4 707**	**4 359**	**4 651**	**4 696**	**4 822**	**4 822**	**4 822**	**4 822**	**4 822**
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities	4 707	4 359	4 651	4 696	4 822	4 822	4 822	4 822	4 822
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**12 663**	**12 427**	**19 233**	**8 402**	**10 216**	**10 216**	**10 216**	**10 539**	**10 538**
General vehicles	2 330	2 077	2 360	1 864	2 360	2 360	2 360	2 683	2 682
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment	1 145	1 334	1 948	838	1 948	1 948	1 948	1 948	1 948
Furniture and other office equipment	275	244	254	344	254	254	254	254	254
Abattoirs					–				
Markets					–				
Civic Land and Buildings					–				
Other Buildings	5 482	5 660	5 467	5 356	5 654	5 654	5 654	5 654	5 654
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	3 431	3 111	9 204						
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	137	219	373	218	671	671	883	884	883
Computers - software & programming	137	219	373	218	671	671	883	884	883
Other *(list sub-class)*									
Total Depreciation	**106 777**	**104 041**	**105 280**	**103 810**	**102 070**	**102 070**	**109 265**	**111 199**	**112 750**

WC032 Overstrand - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - Council	–	–	–				
Vote 2 - Municipal Manager	–	–	–				
Vote 3 - Management Services	2 548	–	–				
Vote 4 - Finance	–	–	–				
Vote 5 - Community Services	76 938	66 662	57 618	61 075	64 740	68 624	72 741
Vote 6 - Local Economic Development	–	–	–				
Vote 7 - Infrastructure & Planning	18 235	19 500	22 500	23 850	25 281	26 798	28 406
Vote 8 - Protection Services	–	–	–				
Net Financial Implications	**97 721**	**86 162**	**80 118**	**84 925**	**90 021**	**95 422**	**101 147**

WC032 Overstrand - Supporting Table SA36 Detailed capital budget

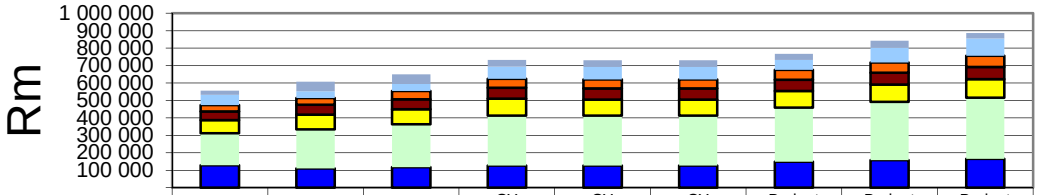
Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality:															
List all capital projects grouped by Municipal Vote															
300 - INFORMATION & COMMUNICATION TECHNOLOGY									1 274	1 869					
Additional Disc Storage for DR Site (Onrus)	Additional Disc Storage for DR Site (Onrus)		1	Yes	*Other*	*Computers - hardware/equipment*	*34'24'45.16S / 19'10'21.22E*				100			Overstrand	New
RF Network: Hawston Mast	RF Network: Hawston Mast		1	Yes	*Other*	*Computers - hardware/equipment*	*34'23'52.01S / 19'06'38.72E*				250			Overstrand	New
RF Network: Gansbaai Region Mast	RF Network: Gansbaai Region Mast		1	Yes	*Other*	*Computers - hardware/equipment*	*34'36'31.10S / 19'20'16.30E*				250			Overstrand	New
Integrated asset management and maintenance system	Integrated asset management and maintenance system		1	Yes	*Other*	*Computers - software & programming*	*Overstrand wide*				1 500			Overstrand	New
RF Network: Kleinmond Regional Mast	RF Network: Kleinmond Regional Mast				*Other*	*Computers - hardware/equipment*	*34'20'10.99S / 19'00'46.72E*				250			Overstrand	New
Time and Attendance Devices	Time and Attendance Devices				*Other*	*Computers - software & programming*	*Overstrand wide*				198			Overstrand	New
300 - PROPERTY SERVICES									5 611	2 104					
Extension of Thusong Centre	Extension of Thusong Centre		1	Yes	*Infrastructure - Other*	*Other*	*19°08'03"E34°23'29"S*					1 000	4 000	Ward 08	New
Building of additional court for municipal matters	Building of additional court for municipal matters		1	Yes	*Infrastructure - Other*	*Other*	*19° 14 18" E en 34° 25 03" S*				200			Overstrand	New
MIG PMU Building	MIG PMU Building		1	Yes	*Infrastructure - Other*	*Other*	*19°12'25"E34°24'28"S*				1 035			Ward 03	New
			1												
400 - LIBRARIES															
Kleinmond Library upgrade	Kleinmond Library upgrade		3	Yes	*Community*	*Libraries*	*19° 01' 54 E 34° 20' 25" S*				2 000			Ward 09	New
400 - WARD SPECIFIC PROJECTS										3 652					
Ward Specific Projects - Kleinmond	Ward Specific Projects - Kleinmond		3	Yes	*Community*	*Other*	*19° 01' 54 E 34° 20' 25" S*				600			Ward 09,10	New
Ward Specific Projects - Hermanus	Ward Specific Projects - Hermanus		3	Yes	*Community*	*Other*	*19°12'25"E34°24'28"S*				2 190			Ward 03,04,05,06,07,0	New
Ward Specific Projects - Gansbaai	Ward Specific Projects - Gansbaai		3	Yes	*Community*	*Other*	*19.349477 -34.607311*				845			Ward 01,02,11	New
500 - SPORT & RECREATION									2 601	5 696					
Overhills:Kleinmond Soccer Field	Overhills:Kleinmond Soccer Field		3	Yes	*Other*	*Sportsfields & stadia*	*19°°00'21"E34°20'08"S*				2 939	939		Ward 09	Renewal
Turf Soccerfield	Turf Soccerfield		3	Yes	*Other*	*Sportsfields & stadia*	*19°13'01"E34°25'56'S*					2 000	2 800	Ward 12	New
Gansbaai Sports Centre (Spaces for sport)	Gansbaai Sports Centre (Spaces for sport)		3	Yes	*Other*	*Sportsfields & stadia*	*19º 22' 55" E34º35'24"S*				51			Ward 01,02	New
Overstrand sport facilities development project	Overstrand sport facilities development project		3	Yes	*Other*	*Sportsfields & stadia*	*34º 22' 58." S 19º07'37.00" E*				100			Overstrand	New
Sport Facilities	Sport Facilities						*Overstrand wide*						4 000	Overstrand	New
700 - HOUSING										11 150					
Hermanus Swartdamweg Institutional -320 SITES	Hermanus Swartdamweg Institutional -320 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.422824 19.218703*				6 786	6 800		Ward 04	New
Zwelihle Garden site -77 SITES	Zwelihle Garden site -77 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.429752 19.209423*					1 400		Ward 06	New
Zwelihle Mandela Square -180 SITES	Zwelihle Mandela Square -180 SITES		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.428927 19.209706*					2 600		Ward 06	New
Zwelihle project -Transit camp/Asizani	Zwelihle project -Transit camp/Asizani		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.426228 19.216456*						2 000	Ward 06	New
Mount Pleasant IRDP	Mount Pleasant IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.414663 19.214140*				474	4 100		Ward 04	New
Kleinmond Overhills	Kleinmond Overhills		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.336437 19.006527*				250	600	2 000	Ward 10	New
Stanford IRDP	Stanford IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.445860 19.448758*				300	400	1 000	Ward 11	New
Electrification of housing projects	Electrification of housing projects		3	Yes	*Infrastructure - Other*	*Social rental housing*	*19°13'09"E34°25'30"S*				4 671			Ward 05,06	New
Hawston project - IRDP	Hawston project - IRDP		3	Yes	*Infrastructure - Other*	*Social rental housing*	*34.387826 19.138307*						2 000	Ward 08	New
1000 - ROADS									24 607	16 228					
Upgrade and rehabilitate roads	Upgrade and rehabilitate roads		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'42"E34°25'20"S*				4 650			Ward 12	Renewal
Upgrade of Landa Road (Mandela Square)	Upgrade of Landa Road (Mandela Square)		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'37"E34°25'36"S*				450			Ward 05	Renewal
Rehabilitation of existing pave road (LIC)	Rehabilitation of existing pave road (LIC)		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'46"E34°25'48"S*					1 400	2 000	Ward 06	New
Rehabilitate roads and upgrade stormwater	Rehabilitate roads and upgrade stormwater		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19 °12'59"E34°25'20"S*				300	3 500	1 500	Ward 04	New
Rehabilitate roads - Angelier Street	Rehabilitate roads - Angelier Street		5	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*						500	Ward 04	New
Provision of sidewalks	Provision of sidewalks				*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*19°12'47"E34°25'07"S*							Ward 04	New
1200 - ELECTRICITY									26 768	39 229					
Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade	Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.349477 -34.607311*				4 900	2 600		Ward 01	New
Gansbaai: Minisub and MV/LV upgrade	Gansbaai: Minisub and MV/LV upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.351879 -34.585351*				1 000	2 700	4 000	Ward 02	New
Blompark: Low Voltage upgrade	Blompark: Low Voltage upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.348154 -34.594590*				1 400	1 000		Ward 02	New
Stanford: MV upgrade	Stanford: MV upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*19.459117 -34.436799*				600	1 200		Ward 11	New
Electrification of low cost housing areas (INEP)	Electrification of low cost housing areas (INEP)		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 25' 38.87"S 19 º 13' 09.52" E*				2 000	2 000	2 000	Ward 10	New
Hermanus: LV Upgrade/Replacement	Hermanus: LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 25' 03.44"S 19 º 12' 47.88" E*				2 100	6 000	4 000	Ward 03	Renewal
Kleinmond: MV & LV network upgrade	Kleinmond: MV & LV network upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 20' 33.67"S 19 º 01' 19.94" E*				2 500	2 000	3 000	Ward 09	New
Sandbaai: MV and LV Upgrade/Replacement	Sandbaai: MV and LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 25' 09.58"S 19 º 11' 53.80" E*						500	Ward 07	Renewal
Hermanus: Main Str to Royal 2nd supply feeder	Hermanus: Main Str to Royal 2nd supply feeder		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 25' 08.54"S 19 º 14' 16.34" E*				1 500			Ward 03	New
Hawston: LV Upgrade/Replacement	Hawston: LV Upgrade/Replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34 º 23' 27.10"S 19 º 08' 10.12" E*				1 000	1 000	2 000	Ward 08	Renewal

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Hawston: See View feeder upgrade	Hawston: See View feeder upgrade		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°23' 25.03"S 19°08' 13.19" E*						300	Ward 08	New
Sandbaai-Mount Pleasant overhead line replacement	Sandbaai-Mount Pleasant overhead line replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 52.21"S 19°12' 41.66" E*						300	Ward 04	Renewal
Zwelihle to Beach overhead line replacement	Zwelihle to Beach overhead line replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 57.30"S 19°12' 50.73" E*						400	Ward 05	Renewal
Meer en See underground cable replacement	Meer en See underground cable replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°21' 58.22"S 19°06' 31.59" E*						600	Ward 08	Renewal
Mount Pleasant Bundle replacement	Mount Pleasant Bundle replacement		2	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*34°25' 03.44"S 19°12' 47.88" E*						1 400	Ward 04	Renewal
1300 - WATER									50 766	23 832					
Replacement of Overstrand water pipes	Replacement of Overstrand water pipes		2	Yes	*Infrastructure - Water*	*Reticulation*	*Overstrand wide*				12 800	12 500	11 000	Overstrand	Renewal
Upgrading of "Die Oog" pump station building	Upgrading of "Die Oog" pump station building		2	Yes	*Infrastructure - Water*	*Reticulation*	*19.27.221154 -34.27.111652*						500	Ward 11	Renewal
New Bulk Water Reservoir -Sandbaai	New Bulk Water Reservoir -Sandbaai		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°25.210' / E19°12.063'*						5 500	Ward 07	New
Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines	Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines		2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°36.417' / E19°23.650'*					7 000	2 500	Ward 01	Renewal
Upgrading of Gateway,Camphill and Volmoed Well Fields	Upgrading of Gateway,Camphill and Volmoed Well Fields		2	Yes	*Infrastructure - Water*	*Reticulation*	*S34°24.512' / E19°12.474'*						2 000	Ward 03	New
Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir	Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*S34°19.96' / E18°50.26'*					2 000		Ward 09	Renewal
New 1 Ml/s Reservoir OHW.B31	New 1 Ml/s Reservoir OHW.B31		2	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	*19°12'43"E34°24'46"S*					2 800		Ward 04	New
200 mm Ø Bulk watermain OHW8.1	200 mm Ø Bulk watermain OHW8.1		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'41"E34°21'50"S*					1 000		Ward 04	New
250 mm Ø Bulk watermain OHW.B14	250 mm Ø Bulk watermain OHW.B14		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'24"E34°24'35"S*					520		Ward 04	New
160 mm Ø Link watermain OHW8.3	160 mm Ø Link watermain OHW8.3		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'56"E34°25'07"S*					284		Ward 04	New
160 mm Ø link watermain OHW9.9	160 mm Ø link watermain OHW9.9		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'40"E34°25'47"S*					490		Ward 05	New
160 mm Ø link watermain OHW9.10	160 mm Ø link watermain OHW9.10		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°12'39"E34°25'49"S*						200	Ward 12	New
Hawston: Bulk water	Hawston: Bulk water		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'29"E34°23'24"S*						2 000	Ward 08	New
Hawston: Bulk water upgrade for housing project	Hawston: Bulk water upgrade for housing project		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'30"E34°23'23"S*						1 000	Ward 08	New
New 500 mm -Water pipe line	New 500 mm -Water pipe line		2	Yes	*Infrastructure - Water*	*Reticulation*	*19°08'28"E34°23'24"S*						1 788	Ward 08	New
1400 - SEWERAGE									14 621	12 153					
Upgrading of pumpstations	Upgrading of pumpstations		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'51"E 34°25'56"S*				1 000		2 000	Overstrand	Renewal
Stanford - Sewer network extension	Stanford - Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°439.75' / E19°455.90'*				2 000	2 000	–	Ward 11	New
Kleinmond - Sewer network extension	Kleinmond - Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°20.44' / E19°1.91'*					2 000	2 000	Ward 09	New
Gansbaai - CBD Sewer network extension	Gansbaai - CBD Sewer network extension		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°35.377' / E19°21.087'*					3 000	3 000	Ward 09	New
Upgrading of Kidbrooke Pipeline	Upgrading of Kidbrooke Pipeline		2	Yes	*Infrastructure - Sanitation*	*Other*	*S34°24.810' / E19°10.001*				2 900			Ward 13	Renewal
WWTW Upgrade - Stanford	WWTW Upgrade - Stanford		2	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	*S34°26.518' / E19°26.929'*						1 000	Ward 11	Renewal
Eluxolweni - New bulk sewerage for housing project	Eluxolweni - New bulk sewerage for housing project		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°29'31"E34°39'02"S*				7 600	784		Ward 11	New
Upgrade existing sewerage pumpstation OHS19.2	Upgrade existing sewerage pumpstation OHS19.2		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'33"E34°25'46"S*					750		Ward 05	Renewal
Bulk Sewerage rising main 355 mm Ø OHS19.1	Bulk Sewerage rising main 355 mm Ø OHS19.1		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'36"E34°25'36"S*					1 620		Ward 05	New
Bulk Sewerage main 200 mm Ø OHS13.3	Bulk Sewerage main 200 mm Ø OHS13.3		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'40"E34°25'52"S*					1 000		Ward 12	New
Bulk Sewerage Outfall Line 525 mm Ø OHS13.2	Bulk Sewerage Outfall Line 525 mm Ø OHS13.2		2	Yes	*Infrastructure - Sanitation*	*Other*	*19°12'45"E34°25'26"S*					1 500	600	Ward 12	New
1400 - STORMWATER									6 107	200					
Provision of stormwater system	Provision of stormwater system		2	Yes	*Other*	*Storm water*	*19°21'28"E34°35'27"S*					1 000		Ward 01	New
Upgrade Stormwater - Internal & External	Upgrade Stormwater - Internal & External		2	Yes	*Other*	*Storm water*	*19°12'48"E34°25'32"S*				800	1 000	1 000	Ward 05	New
Implementation of Stormwater Master Plan - (2)	Implementation of Stormwater Master Plan - (2)		2	Yes	*Other*	*Storm water*	*19°12'35"S34°25'22"S*							Ward 05	New
1500 - WASTE MANAGEMENT									5 528	3 041					
Karwyderskraal : New Waste Cell	Karwyderskraal : New Waste Cell		2	Yes	*Other*	*Waste Management*	*S34 20 08.6 ; E19 09 43.6*				10 200			Overstrand	New
300 - VEHICLES	300 - VEHICLES		1	Yes	*Other*	*Other*	*Overstrand wide*		3 868	4 695	10 525	1 000	3 000	Overstrand	New
300 - MINOR ASSETS									2 013	2 633					
Minor Assets	Minor Assets		1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				1 025	675	730	Overstrand	New
Electrification in informal areas	Electrification in informal areas		1	Yes	*Other*	*Other*	*34°25' 57.30"S 19°12' 50.73" E*				1 083			Overstrand	New
Equipment for additonal court	Equipment for additonal court		1	Yes	*Other*	*Furniture and other office equipment*	*19° 14 18" E en 34° 25 03" S*				250			Overstrand	New
Minor Assets: Library Grant	Minor Assets: Library Grant		1	Yes	*Other*	*Furniture and other office equipment*	*Overstrand wide*				150			Overstrand	New
Parent Capital expenditure									**143 764**	**126 482**	**97 721**	**86 162**	**80 118**		

WC032 Overstrand - Supporting Table SA37 Projects delayed from previous financial year/s

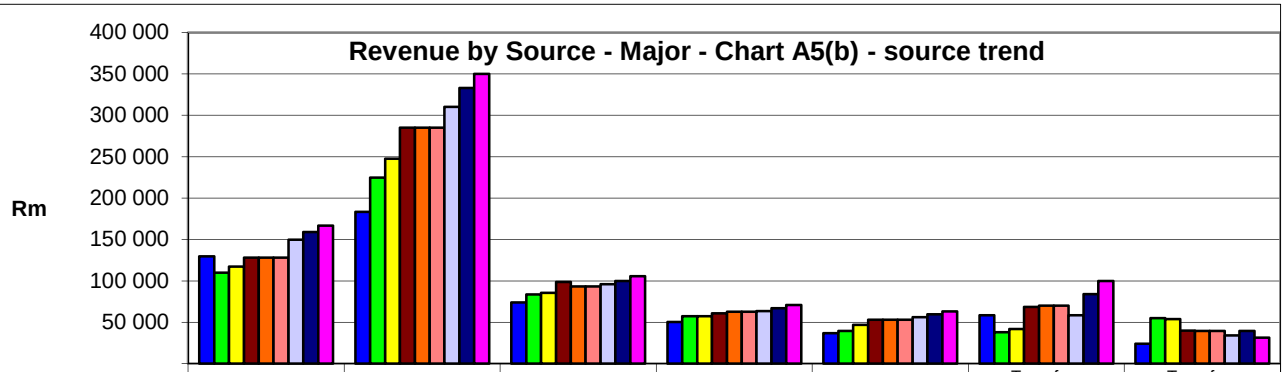
Municipal Vote/Capital project	Project name	Project number	Asset Class 3	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
R thousand						Year	Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality:											
List all capital projects grouped by Municipal Vote			*Examples*	*Examples*							
300 - INFORMATION & COMMUNICATION TECHNOLOGY											
UPGRADE OF TWO WAY RADIO NETWORK TO A DIGITAL NETWORK	UPGRADE OF TWO WAY RADIO NETWORK TO A DIGITAL NETWORK		*Other*	*Computers - hardware/equipment*		**2011-2012**					
300 - PROPERTY SERVICES											
SANTA / RED CROSS PARKING	SANTA / RED CROSS PARKING		*Infrastructure - Other*	*Other*		**2011-2012**					
400 - COMMUNITY BUILDINGS						**2011-2012**					
EXTENSION OF COMMUNITY HALL	EXTENSION OF COMMUNITY HALL		*Community*	*Community halls*							
500 - SPORT & RECREATION											
BOARDWALK - KLEINBAAI SLIPWAY	BOARDWALK - KLEINBAAI SLIPWAY		*Community*	*Other*		**2011-2012**					
SPORTSGROUND - MOUNT PLEASANT	SPORTSGROUND - MOUNT PLEASANT		*Other*	*Sportsfields & stadia*		**2011-2012**					
HAWSTON SPORTSGROUND - UPGRADE NETBALL COURTS	HAWSTON SPORTSGROUND - UPGRADE NETBALL COURTS		*Other*	*Sportsfields & stadia*		**2011-2012**					
SPORTSGROUND - ZWELIHLE	SPORTSGROUND - ZWELIHLE		*Other*	*Sportsfields & stadia*		**2011-2012**					
HAWSTON SPORTSGROUND - UPGRADE RUGBY FIELD	HAWSTON SPORTSGROUND - UPGRADE RUGBY FIELD		*Other*	*Sportsfields & stadia*		**2011-2012**					
900 - LOCAL ECONOMIC DEVELOPMENT											
LOCAL ECONOMIC DEVELOPMENT PROJECTS	LOCAL ECONOMIC DEVELOPMENT PROJECTS		*Other*	*Other*		**2011-2012**					
1000 - ROADS											
TARRING OF STREETS	TARRING OF STREETS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF STREETS	TARRING OF STREETS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
KERB CHANNELLING & PAVEMENTS (VOELKLIP	KERB CHANNELLING & PAVEMENTS (VOELKLIP		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS - REVITILISATION OF CBD	SIDEWALKS - REVITILISATION OF CBD		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WESTDENE TARRING	WESTDENE TARRING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS	SIDEWALKS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALK -TAMBO SQUARE	SIDEWALK -TAMBO SQUARE		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WALDORF RAISED CROSSING	WALDORF RAISED CROSSING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SANDBAAI TARRING	SANDBAAI TARRING		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING/STORM WATER - MOUNTAIN VIEW AVENUE	TARRING/STORM WATER - MOUNTAIN VIEW AVENUE		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING SIDEWALKS - KERK STREET	TARRING SIDEWALKS - KERK STREET		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
SIDEWALKS	SIDEWALKS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF ROADS - PROBLEMATIC STORM WATER DAMAGE AREAS	TARRING OF ROADS - PROBLEMATIC STORM WATER DAMAGE AREAS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
WALKWAY EXTENSION - HANGKLIP RD TOWARDS R44	WALKWAY EXTENSION - HANGKLIP RD TOWARDS R44		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
ATLANTIC AVENUE GABIONS	ATLANTIC AVENUE GABIONS		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
EXTENSION OF PAVED PARKING – COMMUNITY HALL	EXTENSION OF PAVED PARKING – COMMUNITY HALL		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
PAVEMENT &REPLACEMENT STORM WATER CHANNEL IN SHEARWATER	PAVEMENT &REPLACEMENT STORM WATER CHANNEL IN SHEARWATER		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
TARRING OF ROADS - BOUNDARY ROAD	TARRING OF ROADS - BOUNDARY ROAD		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
UPGRADING/REPLACEMENT OF PEDESTRIAN BRIDGE - KLEINMOND LAGOON	UPGRADING/REPLACEMENT OF PEDESTRIAN BRIDGE - KLEINMOND LAGOON		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*		**2011-2012**					
1200 - ELECTRICITY											
SWARTDAM RD. ELECTRIFICATION -HOUSING PROJECT	SWARTDAM RD. ELECTRIFICATION -HOUSING PROJECT		*Infrastructure - Electricity*	*Transmission & Reticulation*		**2011-2012**					
1400 - STORM WATER											
IMPLEMENTATION OF STORM WATER MASTER PLAN	IMPLEMENTATION OF STORM WATER MASTER PLAN		*Other*	*Storm water*		**2011-2012**					
BETTY'S BAY-SWATER(OTTER CLOSE	BETTY'S BAY-SWATER(OTTER CLOSE		*Other*	*Storm water*		**2011-2012**					
STORM WATER AT HIGH SCHOOL	STORM WATER AT HIGH SCHOOL		*Other*	*Storm water*		**2011-2012**					
EASTCLIFF - MOSSELRIVIER 57, STORM WATER	EASTCLIFF - MOSSELRIVIER 57, STORM WATER		*Other*	*Storm water*		**2011-2012**					
STORM WATER - ZWELIHLE	STORM WATER - ZWELIHLE		*Other*	*Storm water*		**2011-2012**					
STORM WATER - LONG STREET	STORM WATER - LONG STREET		*Other*	*Storm water*		**2011-2012**					
DUKE ROAD 17A - STORM WATER	DUKE ROAD 17A - STORM WATER		*Other*	*Storm water*		**2011-2012**					
1500- WASTE MANAGEMENT											
HERMANUS MRF CONCRETE SLAB	HERMANUS MRF CONCRETE SLAB		*Other*	*Waste Management*		**2011-2012**					
HERMANUS TRANSFER STATION STAFF FACILITIES	HERMANUS TRANSFER STATION STAFF FACILITIES		*Other*	*Waste Management*		**2011-2012**					
BETTY'S BAY DROP OFF OFFICE	BETTY'S BAY DROP OFF OFFICE		*Other*	*Waste Management*		**2011-2012**					

Revenue by Source - Major - Chart A5(a)



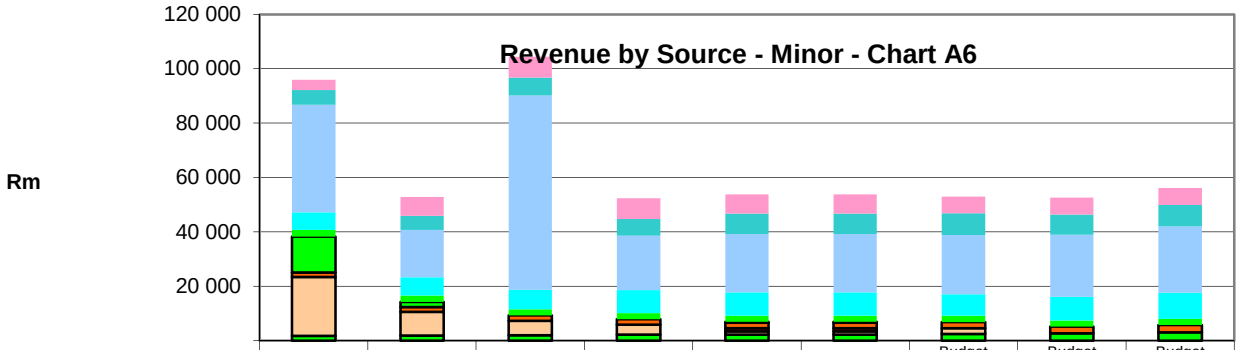
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Transfers recognised - capital	24 085	54 833	53 809	39 987	39 350	39 350	34 234	39 487	31 388
Transfers recognised - operating	58 384	38 005	41 680	68 384	70 101	70 101	58 407	84 037	99 909
Service charges - refuse	36 945	39 498	46 788	52 934	52 934	52 934	56 130	59 500	63 074
Service charges - sanitation revenue	50 381	57 212	57 223	60 917	62 827	62 827	63 455	66 997	70 759
Service charges - water revenue	74 099	83 755	85 498	98 642	93 142	93 142	95 897	99 943	105 503
Service charges - electricity revenue	183 552	224 950	247 521	284 936	284 936	284 936	310 085	333 146	349 869
Property rates	129 591	109 838	117 235	127 921	127 921	127 921	149 690	159 127	166 656

Revenue by Source - Major - Chart A5(b) - source trend



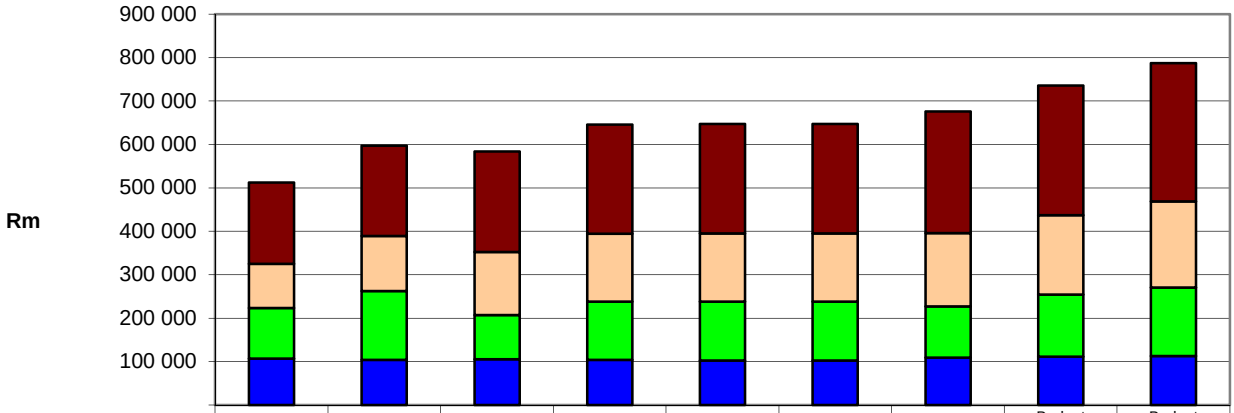
	Property rates	Service charges - electricity revenue	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse	Transfers recognised - operating	Transfers recognised - capital
10/11 AUD	129 591	183 552	74 099	50 381	36 945	58 384	24 085
11/12 AUD	109 838	224 950	83 755	57 212	39 498	38 005	54 833
12/13 AUD	117 235	247 521	85 498	57 223	46 788	41 680	53 809
CY 13/14 BUD	127 921	284 936	98 642	60 917	52 934	68 384	39 987
CY 13/14 ADJ	127 921	284 936	93 142	62 827	52 934	70 101	39 350
CY 13/14 FCST	127 921	284 936	93 142	62 827	52 934	70 101	39 350
Budget Year 14/15	149 690	310 085	95 897	63 455	56 130	58 407	34 234
Budget Year +1 15/16	159 127	333 146	99 943	66 997	59 500	84 037	39 487
Budget Year +2 16/17	166 656	349 869	105 503	70 759	63 074	99 909	31 388

Revenue by Source - Minor - Chart A6



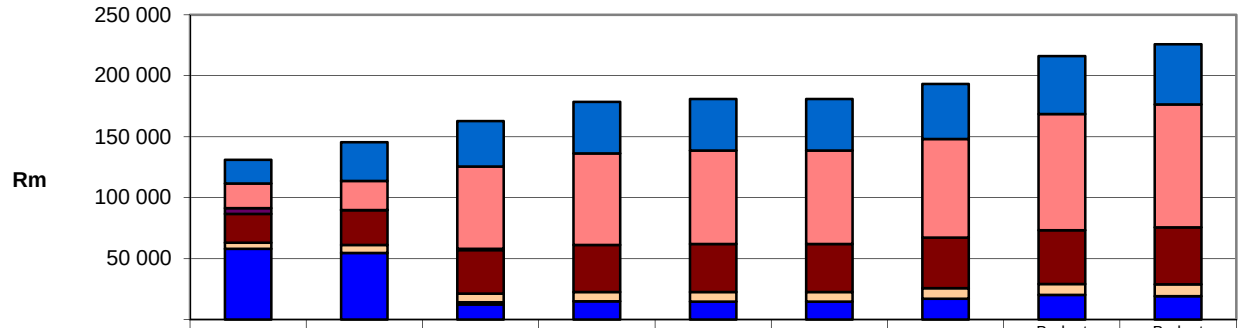
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Interest earned - external investments	3 705	6 881	7 553	7 714	7 018	7 018	6 166	6 210	6 255
Fines	5 469	5 278	6 644	6 079	7 529	7 529	7 965	7 378	7 817
Other revenue	39 497	17 375	71 461	19 963	21 516	21 516	21 717	22 855	24 404
Rental of facilities and equipment	6 532	6 743	7 208	8 551	8 551	8 551	7 966	8 739	9 615
Service charges - other									
Interest earned - outstanding debtors	2 463	2 331	2 199	2 204	2 204	2 204	2 288	2 234	2 322
Gains on disposal of PPE	13 171	1 920			383	383			
Licences and permits	1 711	1 786	1 968	2 046	2 046	2 046	2 229	2 447	2 686
Contributed assets					1 187	1 187			
Contributions	21 561	8 603	5 289	3 583	1 083	1 083	2 134		

Expenditure by Type - Major - Chart A7



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Employee related costs	187 333	207 938	231 527	250 842	252 454	252 454	280 066	298 298	318 421
Bulk purchases	101 683	126 669	145 022	156 893	156 893	156 893	169 444	183 000	197 640
Other expenditure	116 278	158 290	102 107	133 917	135 889	135 889	117 407	142 792	158 088
Depreciation & asset impairment	106 777	104 041	105 280	103 810	102 070	102 070	109 265	111 199	112 750

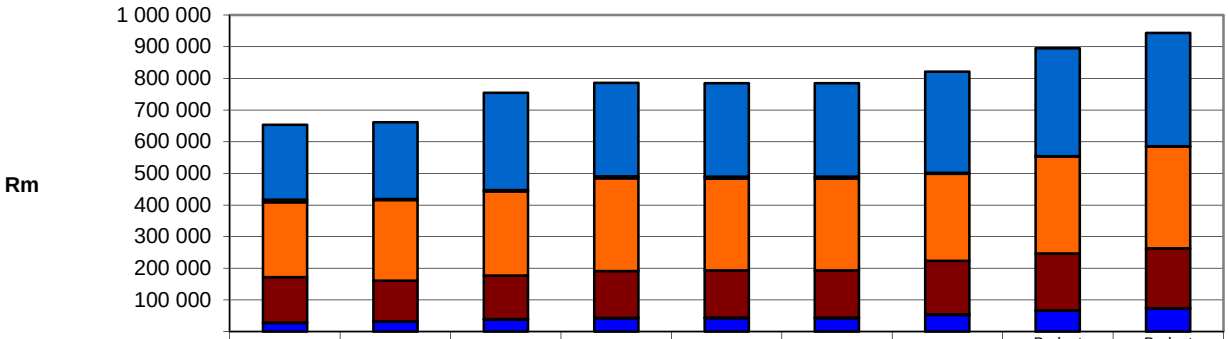
Expenditure by Type - Minor - Chart A7



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Finance charges	19 373	31 727	37 310	42 292	42 292	42 292	45 162	47 472	49 508
Contracted services	20 253	24 079	67 601	74 909	76 844	76 844	81 062	95 248	100 837
Debt impairment	4 806	28	934						
Grants and subsidies	23 620	28 454	35 856	38 766	39 217	39 217	41 370	44 065	46 708
Remuneration of councillors	4 840	6 717	7 084	7 577	7 978	7 978	8 516	9 109	9 744
Loss on disposal of PPE			1 756						
Other materials	58 239	54 582	12 437	15 055	14 752	14 752	17 295	20 201	19 151

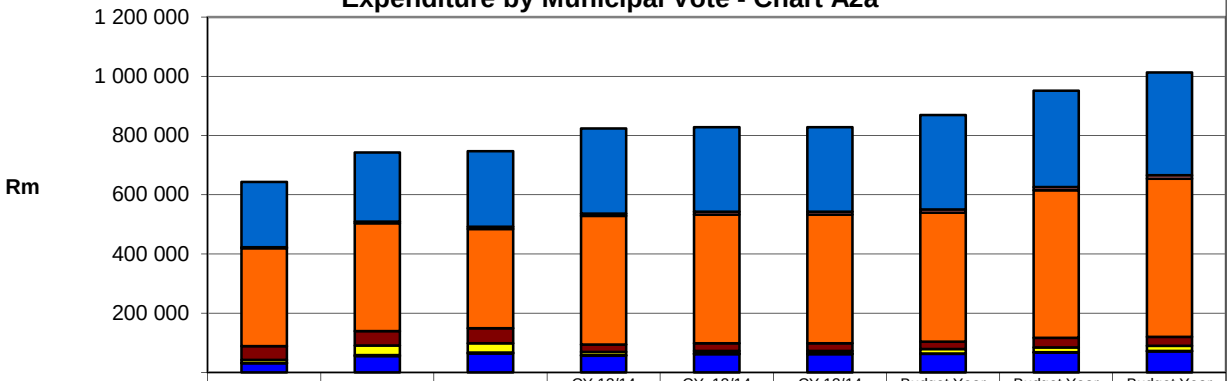
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2014/2015 BUDGET

Revenue by Municipal Vote classification - Chart A1



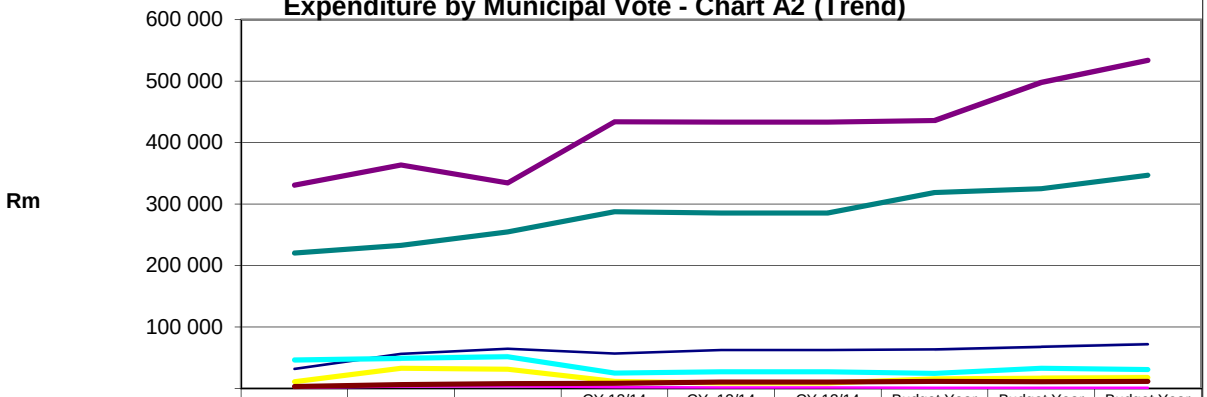
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Infrastructure and Planning	236 438	242 061	307 447	295 950	295 442	295 442	318 962	340 309	357 549
Local Economic Development	7 520	2 817	3 750	5 214	6 431	6 431	2 968	1 200	1 200
Community and Protection Services	236 945	255 549	265 883	293 419	290 128	290 128	275 006	306 730	321 615
Finance	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Management Services	892	1 264	1 476	1 216	1 216	1 216	2 410	961	961
Municipal Manager									
Council	27 515	31 483	38 353	42 395	42 995	42 995	52 401	65 565	73 466

Expenditure by Municipal Vote - Chart A2a



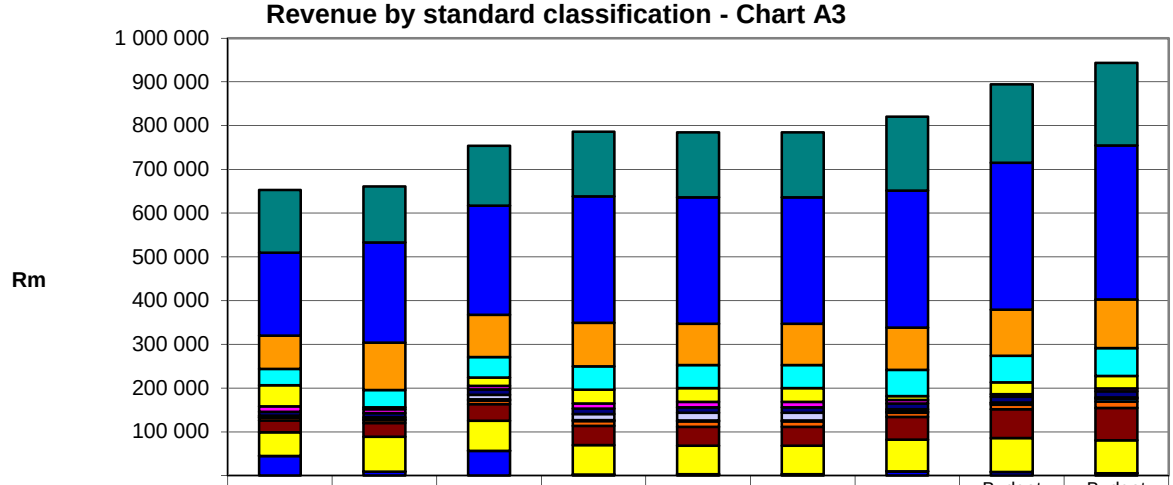
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Infrastructure and Planning	220 110	232 916	254 779	287 299	285 253	285 253	318 607	325 210	347 058
Local Economic Development	3 068	5 845	7 716	8 303	10 397	10 397	11 140	10 714	11 334
Community and Protection Services	330 512	363 471	334 568	433 942	433 636	433 636	435 858	497 842	533 910
Finance	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Management Services	10 899	32 796	30 872	11 031	8 495	8 495	15 189	16 243	17 335
Municipal Manager	879	2 872	3 243	1 949	1 520	1 520	1 003	1 001	1 070
Council	31 350	55 945	64 385	56 809	62 399	62 399	63 289	67 543	71 596

Expenditure by Municipal Vote - Chart A2 (Trend)



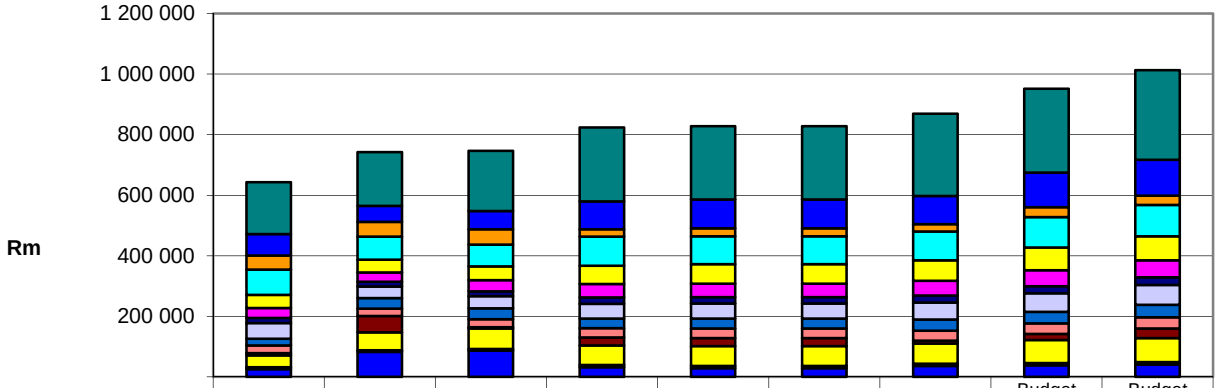
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Council	31 350	55 945	64 385	56 809	62 399	62 399	63 289	67 543	71 596
Municipal Manager	879	2 872	3 243	1 949	1 520	1 520	1 003	1 001	1 070
Management Services	10 899	32 796	30 872	11 031	8 495	8 495	15 189	16 243	17 335
Finance	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Community and Protection Services	330 512	363 471	334 568	433 942	433 636	433 636	435 858	497 842	533 910
Local Economic Development	3 068	5 845	7 716	8 303	10 397	10 397	11 140	10 714	11 334
Infrastructure and Planning	220 110	232 916	254 779	287 299	285 253	285 253	318 607	325 210	347 058

Revenue by standard classification - Chart A3



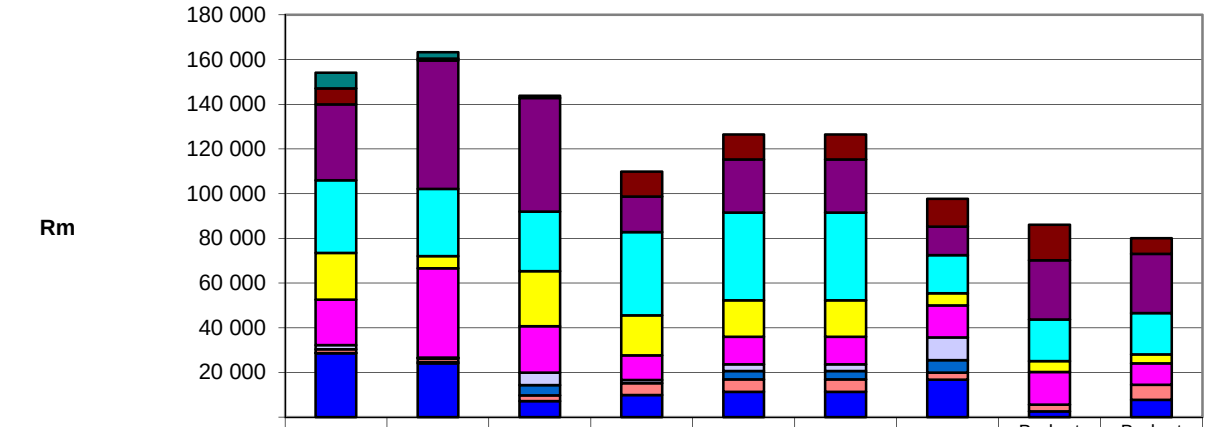
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Budget & Treasury Office	143 626	127 745	137 194	147 919	148 772	148 772	169 095	179 861	188 464
Electricity	189 093	229 488	249 503	289 279	289 279	289 279	313 388	335 388	352 135
Water	76 312	108 189	96 579	99 562	94 062	94 062	96 872	106 070	111 585
Waste Management	37 078	39 605	46 911	53 020	53 070	53 070	59 691	60 350	63 146
Housing	48 848	3 965	18 645	31 705	31 675	31 675	8 576	27 243	28 969
Planning & Development	11 911	8 801	7 907	11 377	11 853	11 853	8 465	6 037	6 520
Public Safety	9 337	10 048	12 541	12 393	12 343	12 343	13 184	13 093	14 079
Road Transport	2 691	3 863	10 595	13 938	17 608	17 608	5 397	1 600	2 700
Community & Social Services	1 736	2 574	2 990	2 078	2 507	2 507	2 402	3 600	6 766
Health									
Sport and Recreation	6 118	6 609	7 762	11 549	12 546	12 546	9 565	9 867	14 419
Executive & Council	27 515	31 483	38 353	43 363	43 073	43 073	52 442	65 606	73 507
Waste Water Management	53 541	79 550	68 756	67 584	64 927	64 927	72 155	77 967	75 459
Environmental Protection	329	299	65	68	308	308	76	84	93
Corporate Services	44 803	8 700	56 303	2 277	2 959	2 959	9 534	8 059	5 412

Expenditure by standard classification - Chart A4



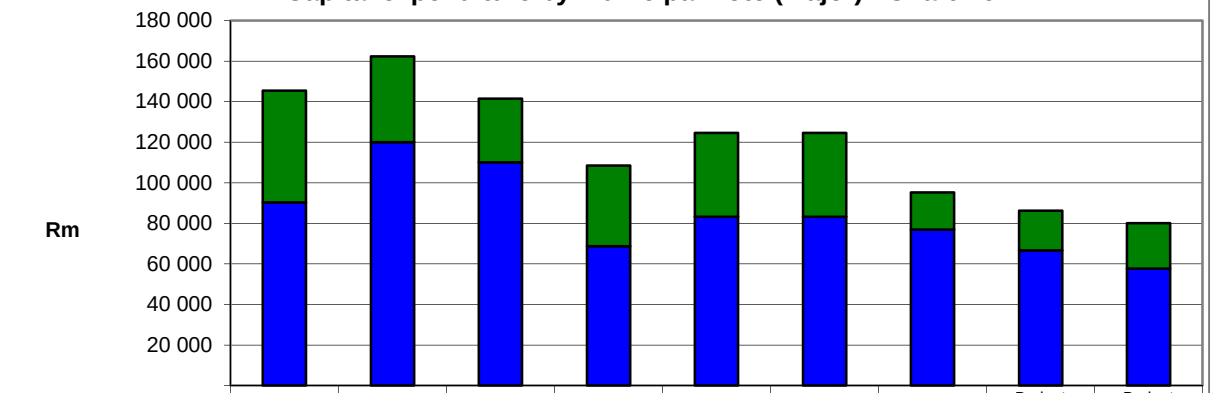
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Electricity	171 365	177 473	198 902	244 304	242 679	242 679	272 386	276 444	295 533
Water	71 266	53 445	60 489	92 079	95 281	95 281	93 157	114 171	118 828
Budget & Treasury Office	46 383	48 679	51 351	24 726	26 688	26 688	24 503	32 830	30 544
Road Transport	83 509	75 715	71 107	96 482	91 710	91 710	95 166	101 024	104 103
Waste Water Management	43 147	42 466	45 945	60 149	64 341	64 341	67 138	74 952	79 130
Public Safety	32 874	31 241	36 834	44 185	44 771	44 771	49 173	52 855	56 029
Sport and Recreation	17 449	15 378	16 070	21 105	20 931	20 931	22 245	23 223	24 926
Waste Management	51 445	37 573	40 102	48 760	49 851	49 851	56 489	61 050	66 326
Planning & Development	21 743	35 519	36 263	31 326	32 719	32 719	37 314	38 607	40 998
Community & Social Services	25 861	24 079	26 064	30 554	31 128	31 128	32 563	34 346	36 685
Health									
Housing	7 681	54 294	4 258	26 754	26 352	26 352	9 554	20 473	31 629
Executive & Council	38 862	58 811	67 621	64 562	65 843	65 843	66 867	75 471	79 697
Environmental Protection	6 714	5 011	5 624	7 837	8 042	8 042	7 035	7 412	7 927
Corporate Services	24 905	82 842	86 284	31 236	28 053	28 053	35 998	38 524	40 490

Capital expenditure by Standard Classification - Chart A11



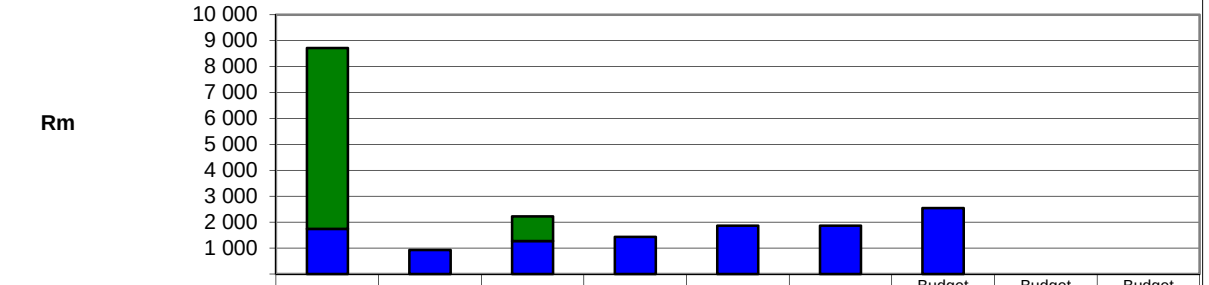
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Planning & Development	6 973	2 864	945						
Housing	7 118	817		11 180	11 150	11 150	12 480	15 900	7 000
Water	34 053	57 384	50 766	15 900	23 832	23 832	12 800	26 594	26 488
Electricity	32 411	30 061	26 768	37 194	39 229	39 229	17 000	18 500	18 500
Road Transport	20 923	5 477	24 607	17 870	16 228	16 228	5 400	4 900	4 000
Waste Water Management	20 304	39 927	20 728	11 150	12 353	12 353	14 300	14 654	9 600
Budget & Treasury Office									
Waste Management	1 859	196	5 528	1 400	3 041	3 041	10 200		
Community & Social Services		327	4 666		3 652	3 652	5 635		
Sport and Recreation	1 743	1 531	2 601	5 225	5 696	5 696	3 090	2 939	6 800
Health									

Capital expenditure by Municipal Vote (Major) - Chart A9



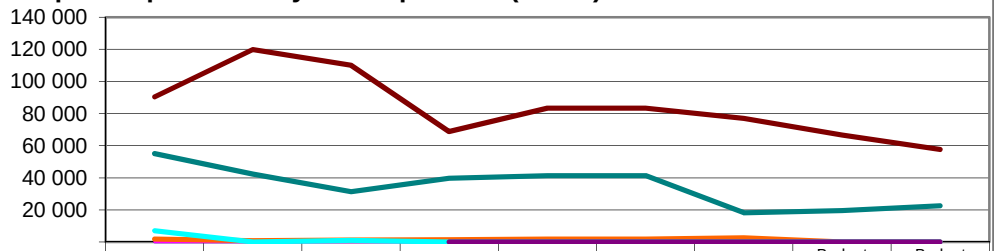
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Infrastructure and Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500
Community and Protection Services	90 285	119 952	110 111	68 764	83 280	83 280	76 938	66 662	57 618

Capital expenditure by Municipal Vote (Minor) - Chart A10



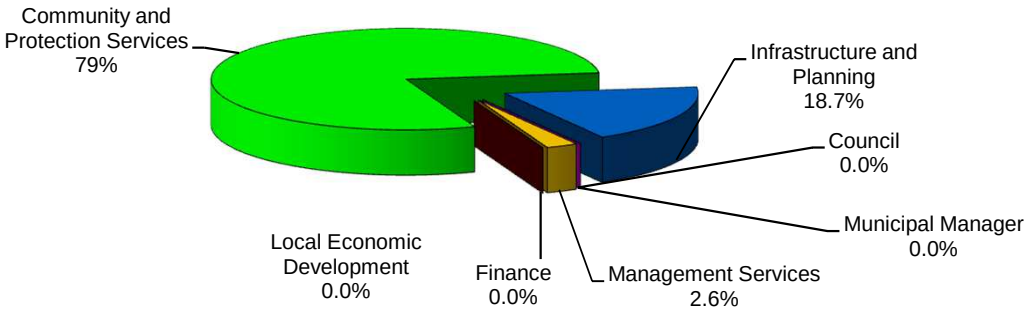
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Local Economic Development	6 973		945						
Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548		

Capital expenditure by Municipal Vote (Trend) - Chart A12

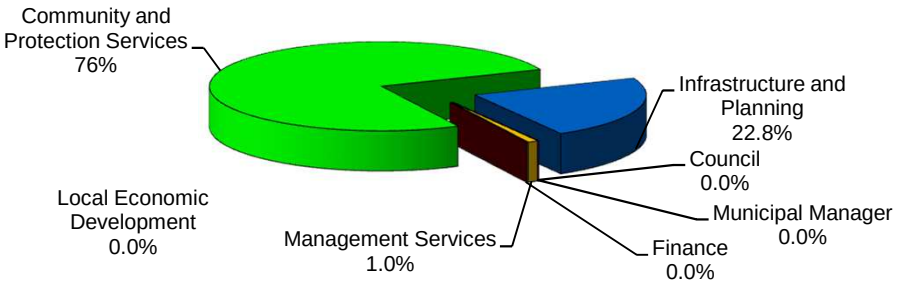


	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Council									
Municipal Manager									
Management Services	1 748	928	1 274	1 439	1 869	1 869	2 548		
Local Economic Development	6 973		945						
Finance									
Community and Protection Services	90 285	119 952	110 111	68 764	83 280	83 280	76 938	66 662	57 618
Infrastructure and Planning	55 111	42 394	31 434	39 694	41 333	41 333	18 235	19 500	22 500

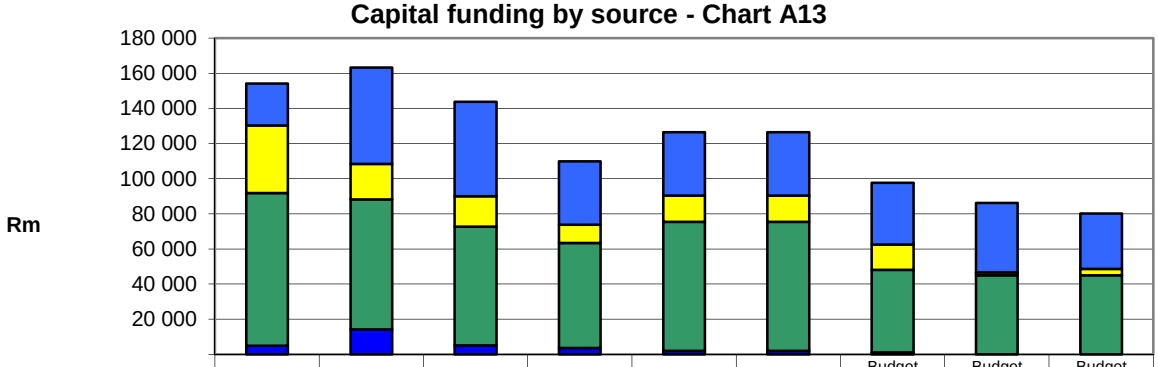
2014/15 Budget Year
Capital expenditure program per vote



2014/15 MTREF (3 year total)
Capital expenditure program per vote



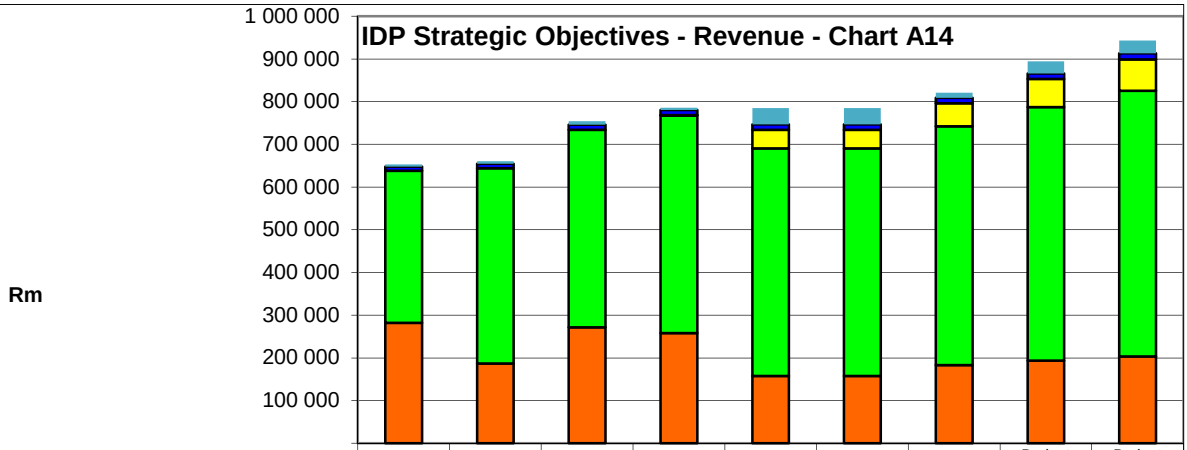
Capital funding by source - Chart A13



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Capital transfers recognised	23 791	54 833	53 809	36 028	36 034	36 034	35 234	39 487	31 388
Internally generated funds	38 418	20 178	17 345	10 425	14 939	14 939	14 430	1 675	3 730
Borrowing	86 942	73 964	67 544	59 861	73 427	73 427	46 923	45 000	45 000
Public contributions & donations	4 966	14 300	5 067	3 583	2 083	2 083	1 134		

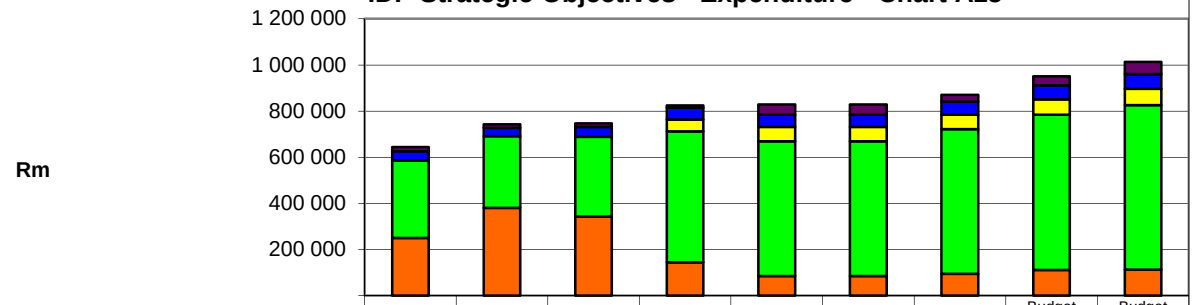
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2014/2015 BUDGET

IDP Strategic Objectives - Revenue - Chart A14



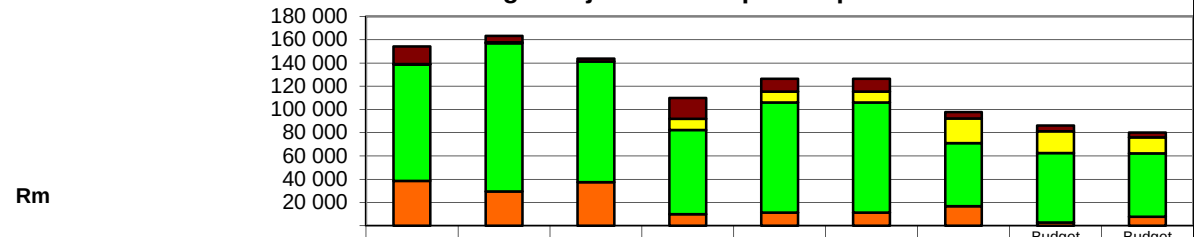
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
The promotion of tourism, economic and social development	5 402	6 609	7 762	5 214	38 439	38 439	11 658	28 557	30 283
The creation and maintenance of a safe and healthy environment	9 666	10 346	12 606	12 561	12 651	12 651	13 260	13 177	14 172
The encouragement of structured community participation in the matters of the municipality				883	42 995	42 995	53 339	65 569	73 550
Provision and maintenance of municipal services	356 023	456 833	461 748	509 446	533 310	533 310	559 189	593 550	621 902
Provision of democratic accountable and ethical governance	281 846	187 130	271 986	258 008	157 589	157 589	183 397	193 973	203 347

IDP Strategic Objectives - Expenditure - Chart A15



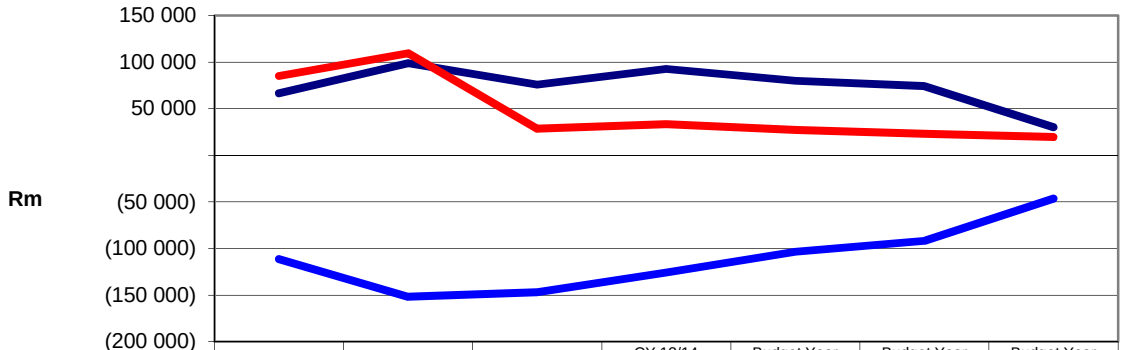
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
The promotion of tourism, economic and social development	17 449	15 378	16 070	9 495	43 878	43 878	28 920	39 888	52 251
The creation and maintenance of a safe and healthy environment	39 588	36 252	42 458	52 022	52 813	52 813	56 208	60 268	63 957
The encouragement of structured community participation in the matters of the municipality				50 423	62 399	62 399	63 289	67 543	71 596
Provision and maintenance of municipal services	337 222	310 956	345 437	568 491	584 662	584 662	627 915	673 532	713 071
Provision of democratic accountable and ethical governance	248 943	379 939	342 949	143 629	84 637	84 637	93 256	110 152	111 972

IDP Strategic Objectives - Capital Expenditure - Chart A16



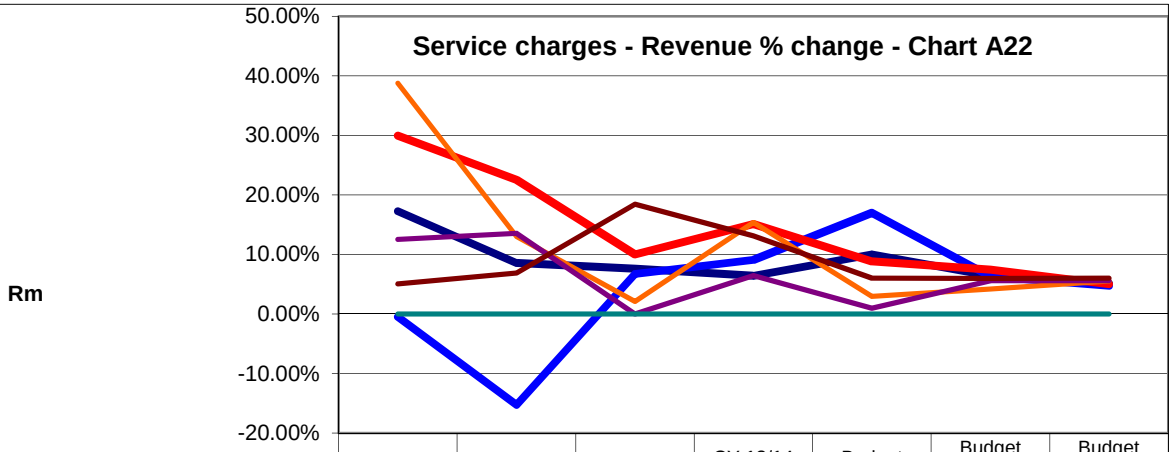
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 BUD	CY 13/14 ADJ	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
The promotion of tourism, economic and social development	14 990	5 538	2 601	17 870	11 150	11 150	5 400	4 900	4 000
The creation and maintenance of a safe and healthy environment	296	645							
The encouragement of structured community participation in the matters of the municipality				9 792	9 348	9 348	21 205	18 839	13 800
Provision and maintenance of municipal services	100 154	127 569	103 790	72 258	94 684	94 684	54 300	59 748	54 588
Provision of democratic accountable and ethical governance	38 678	29 523	37 373	9 977	11 301	11 301	16 815	2 675	7 730

IDP Strategic Objectives - Revenue - Chart A14



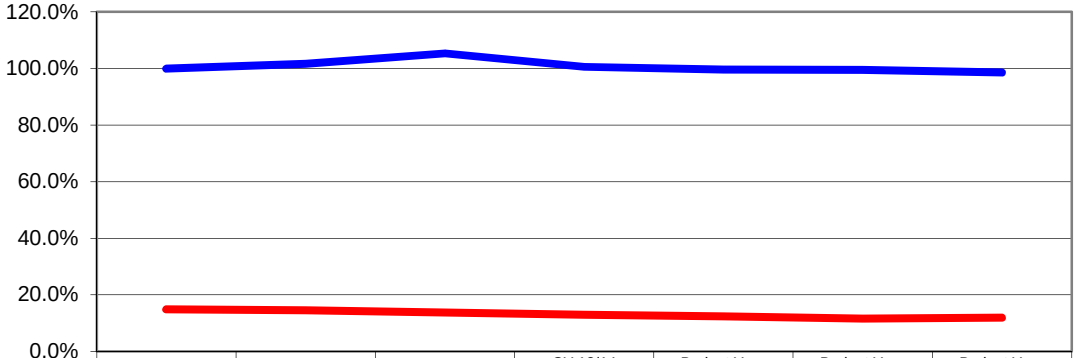
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Cash Flow - Op. Activities	66 499	98 981	75 915	92 664	80 014	73 943	30 172
Cash Flow - Investing (used)	(111 146)	(151 774)	(146 949)	(125 609)	(103 533)	(91 765)	(46 287)
Cash Flow - Financing	85 027	109 489	28 482	33 204	27 163	22 787	19 553

Service charges - Revenue % change - Chart A22



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
% incr total service charges (incl prop rates)	17.28%	8.57%	7.57%	6.44%	10.00%	6.4%	5.1%
% incr Property Tax	-0.5%	-15.2%	6.7%	9.1%	17.0%	6.3%	4.7%
% incr Service charges - electricity revenue	30.0%	22.6%	10.0%	15.1%	8.8%	7.4%	5.0%
% incr Service charges - water revenue	38.8%	13.0%	2.1%	15.4%	3.0%	4.2%	5.6%
% incr Service charges - sanitation revenue	12.5%	13.6%	0.0%	6.5%	1.0%	5.6%	5.6%
% incr Service charges - refuse	5.1%	6.9%	18.5%	13.1%	6.0%	6.0%	6.0%
% incr in Service charges - other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

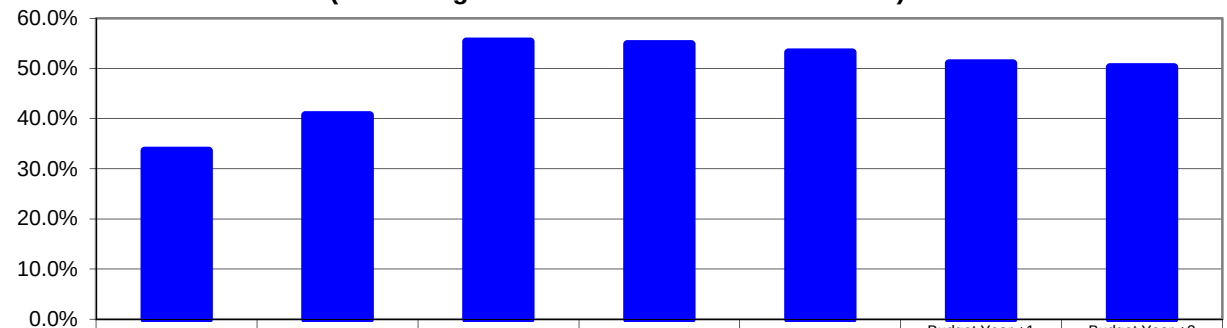
Revenue collection - Chart A18



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Annual Debtors Collection	99.9%	101.5%	105.3%	100.5%	99.6%	99.4%	98.5%
O/S Debtors to Revenue	14.9%	14.6%	13.7%	13.0%	12.4%	11.6%	11.9%

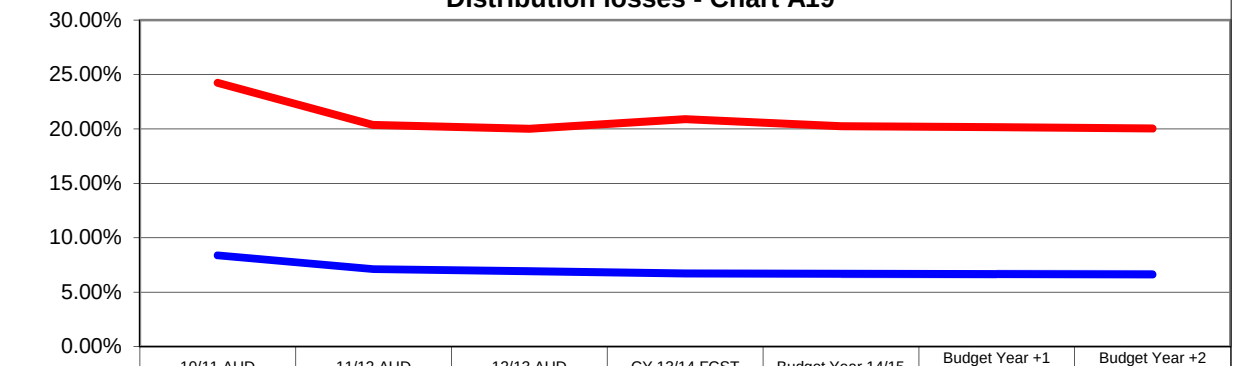
OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2014/2015 BUDGET

Debt (borrowing as a % of total revenue collection) - Chart A17



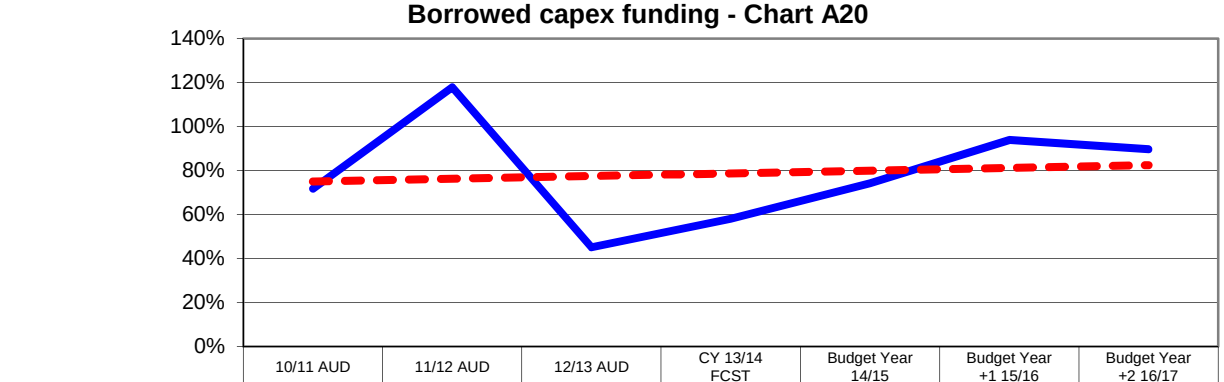
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Borrowing	33.6%	40.7%	55.4%	54.9%	53.2%	51.0%	50.2%

Distribution losses - Chart A19



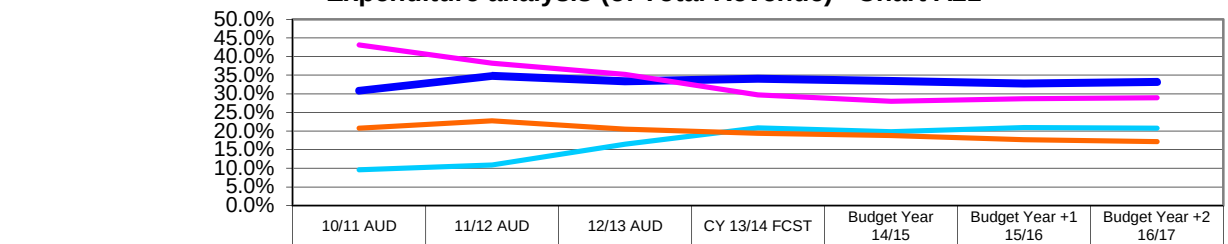
	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Electricity	8.37%	7.12%	6.91%	6.70%	6.67%	6.64%	6.60%
Water	24.24%	20.36%	20.01%	20.89%	20.23%	20.14%	20.04%

Borrowed capex funding - Chart A20



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Borrowed capex funding	72%	118%	45%	58%	74%	94%	90%

Expenditure analysis (of Total Revenue) - Chart A21



	10/11 AUD	11/12 AUD	12/13 AUD	CY 13/14 FCST	Budget Year 14/15	Budget Year +1 15/16	Budget Year +2 16/17
Employee costs	30.8%	34.8%	33.3%	34.0%	33.4%	32.7%	33.1%
General Expenses	43.1%	38.2%	35.2%	29.7%	28.0%	28.7%	28.9%
Repairs & Maintenance	9.6%	10.9%	16.5%	20.8%	19.8%	20.9%	20.8%
Finance charges & Depreciation	20.8%	22.7%	20.5%	19.4%	18.8%	17.7%	17.2%

ANNEXURE C

RATES AND TARIFFS

OVERSTRAND MUNICIPALITY

RATES TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.15
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
RATES	**YEAR OF GENERAL VALUATION: 02 JULY 2011**					
RATE1*	Commercial Land with Improvements	0.00627	0.00627	0.00545	0.00545	15.00%
RATE2*	Residential Land with Improvements	0.00414	0.00414	0.00360	0.00360	15.00%
	**** See attached schedule of Exemptions and Rebates applicable***					
RATE3	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	
RATE4	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000	
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000	0.00%
RATE6	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	
RATE7	Farm/Agriculture (Bona-fide)	0.00104	0.00104	0.00090	0.00090	15.00%
RATE8	Undeveloped erven	0.00566	0.00566	0.00566	0.00566	0.00%

PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES

OVERSTRAND MUNCIPALITY

(Attachments to the Rates Tariff Schedule)

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
BUS	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	No exemptions. Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res. rate: 1 -2 X lettable room: 100% 3 X lettable rooms: 75% 4 X lettable rooms: 50% 5 X lettable rooms: 25%
BUSO	General Tax: Tourism and recreational resorts outside of the municipal service areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
RES	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax. A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and an additional rebate of 20% of the levy calculated on such properties, is granted. Rebate to qualifying property owners as indicated under "*Other Rebate*"
RESO	General Tax: Residential properties outside of the municipal service area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	50% of the tax applicable on residential property in urban areas. Rebate to qualifying property owners as indicated under "Other Rebate"
FARMS	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
FARMS	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.

REBU2 **REBU3** **REBU4**	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	- Property must be occupied permanently; - The applicant must be the registered owner; - Only one residential unit allowed on the property - Applicant may not be the registered owner of more than one property • A rebate of 100% to approved applicants, in terms of the **Property Rates** Policy, who's household income may not exceed the amount of two times (2X) of state funded social pensions per month; • A rebate of 40% to approved applicants, in terms of the **Property Rates** Policy, who are older than 60 with a total household income less than four times (4X) of state funded social pensions per month; • A rebate of 30% to approved applicants, in terms of the **Property Rates**, who are older than 60 with a total household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.

EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious Organizations	A property registered in the name of and used primarily as a place of public worship by a religious organization/community, including an official residence registered in the name of that organization/community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1)(i) of the MPRA.
Health and welfare institutions	Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the boundaries of Overstrand Municipality.
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work.
Sporting bodies	Property used by an organization whose sole purpose is to use the property for sporting purposes, for gain or not. Assistance to professional sporting organizations may differ from that afforded to amateur bodies. The rebate will be award **at the sole discretion of council on an annual basis**.
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.
Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
Museums, libraries, art galleries and botanical gardens	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organizations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S1	**BOAT LICENCE/PERMITS, LAUNCHING & ENTRANCE FEE**					
S1J	**Kleinbaai Harbour:**					
S1J1	On site Parking pm	675.44	770.00	614.04	700.00	10.00%
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	28 407.02	32 384.00	25 824.56	29 440.00	10.00%
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 171.06	2 475.00	1 973.68	2 250.00	10.00%
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	21 681.58	24 717.00	19 710.53	22 470.00	10.00%
S1J4A	Kelp Collectors pm	2 713.20	3 093.05	1 973.68	2 250.00	37.47%
S1J4B	Kelp Collectors pa	27 102.00	30 896.28	19 710.53	22 470.00	37.50%
S1J4C	Kelp Collectors per launch	175.44	200.00	131.58	150.00	33.33%
S1J5	Oversize vessel	tariff + 50%	vat on tariff + 50%	tariff + 50%	vat on tariff + 50%	
S1J6A	Nature Conservation	FREE	FREE	FREE	FREE	
S1J6B	Support Service per month	511.40	583.00	464.91	530.00	10.00%
S1J6C	Support Service per launch	67.54	77.00	61.40	70.00	10.00%
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW	
S1J7A2	Recreational Fishing Vessels < 7m per Launch	52.63	60.00	NEW	NEW	
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	526.32	600.00	NEW	NEW	
S1J7A4	Recreational Fishing Vessels > 7m per Launch	65.79	75.00	NEW	NEW	
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	438.60	500.00	NEW	NEW	
S1J7B2	Commercial Fishing Vessels > 7m pa	631.58	720.00	NEW	NEW	
S1J7B3	Commercial Fishing Vessels > 7m per launch	74.56	85.00	NEW	NEW	
S1J8A	Passenger Boats pm	1 085.97	1 238.00	986.84	1 125.00	10.04%
S1J8B	Passenger Boats per launch	106.14	121.00	96.49	110.00	10.00%
S1J9	Use of Tractor for boat-launching / month	183.34	209.00	166.67	190.00	10.00%
S1J10	Under-cover Stalls (Informal trading) / day	34.21	39.00	30.70	35.00	11.43%
S1J11	Formal Shop Rental / month	627.19	715.00	570.18	650.00	10.00%
S1J12	Informal Trader under cover rental / month	414.91	473.00	377.19	430.00	10.00%
S1L	**Kleinmond (08:00 - 16:00)**					
S1L1	Entrance fee per day (Western Cape December school holiday **plus** Easter Weekend)	28.95	33.00	26.32	30.00	9.99%
S1L2	Season Ticket (Western Cape December School Holiday **plus** Easter Weekend) (Motor Vehicles)	256.14	292.00	232.46	265.00	10.19%
S2	**BUILDING CONTROL**					
S2A1	Building Plan Fees up to 100 m² (R/m²)	21.05	24.00	19.30	22.00	9.07%
S2A2	Building Plan Fees from 101 m² to 200 sq m (R/m²)	25.44	29.00	23.68	27.00	7.43%
S2A3	Building Plan Fees from 201 m² to 300 sq m (R/m²)	29.83	34.00	28.07	32.00	6.25%
S2A4	Building Plan Fees greater than 300 m² (R/m²)	34.21	39.00	33.33	38.00	2.64%
S2A5	Building Plan fees - Building Sub Economic < 70 m²	307.02	350.00	280.70	320.00	9.38%
S2B	Alterations and Additions smaller than 30 m²	631.58	720.00	578.95	660.00	9.09%
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m²	14.48	16.50	13.16	15.00	10.00%
S2D1	Building Plan fees related to Industrial buildings R/m²	14.48	16.50	13.16	15.00	10.00%
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m²)	14.48	16.50	13.16	15.00	10.00%
S2F1	Plan Scrutiny Fees - < 200 m²	377.19	430.00	342.11	390.00	10.26%
S2F2	> 200 m² (R/m²)	3.07	3.50	2.81	3.20	9.25%
S2G	Demolition application	377.19	430.00	342.11	390.00	10.26%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S2H	Inspection & Re-inspection fees and Inspections on queries, rates clearance etc.	219.30	250.00	192.98	220.00	13.64%
S2J1	Building Deposit - < 50m² or **less** or less than R150,000.00	660.00	no vat	600.00	no vat	10.00%
S2J2	Building Deposit - Recoverable 50m² to 200m² or more than R150,000.00	1 760.00	no vat	1 600.00	no vat	10.00%
S2J3	Building Deposit - Recoverable more than 200m²	4 840.00	no vat	4 400.00	no vat	10.00%
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	No Deposit	no vat	No Deposit	no vat	
S2K	Administration / Viewing Fee	43.86	50.00	36.84	42.00	19.06%
S2L	Minor Building Works	175.44	200.00	NEW	NEW	
S2L1	Heritage Investigation Minor Alterations (no additions)	350.88	400.00	324.56	370.00	8.11%
S2L2	Heritage Investigation add and alt smaller than 30m²	701.75	800.00	649.12	740.00	8.11%
S2L3	Heritage Investigation add and alt greater than 30m²	1 403.51	1 600.00	1 315.79	1 500.00	6.67%
S3	**BUILDING CONTROL: PLAN PRINTING FEES**					
S3A1	Per sheet - Size A0 (Private copy)	48.25	55.00	43.86	50.00	10.00%
S3A2	Size A1 (Private copy)	38.60	44.00	35.09	40.00	10.00%
S3A3	Size A2 (Private copy)	28.95	33.00	26.32	30.00	9.99%
S3A4	Per sheet - Size A0 (Official copy)	38.60	44.00	35.09	40.00	10.00%
S3A5	- Size A1 (Official copy)	28.95	33.00	26.32	30.00	9.99%
S3A6	- Size A2 (Official copy)	20.18	23.00	19.30	22.00	4.53%
S3B1	Per sheet - Size A0 (Private copy) Colour	250.88	286.00	228.07	260.00	10.00%
S3B2	Size A1 (Private copy) Colour	192.98	220.00	175.44	200.00	10.00%
S3B3	Size A2 (Private copy) Colour	131.58	150.00	114.04	130.00	15.39%
S3B4	Per sheet - Size A0 (Official copy) Colour	127.19	145.00	114.04	130.00	11.54%
S3B5	- Size A1 (Official copy) Colour	96.49	110.00	87.72	100.00	10.00%
S3B6	- Size A2 (Official copy) Colour	65.79	75.00	61.40	70.00	7.15%
S15	**CEMETERY**					
	Residents (RES):					
S15A	**Plot Cost (Fixed)**					
Note	**Grave Depths** - Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter; - Other single graves (not infill) must have a soil coverage of not less than 1.5 meters; - Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins; - Child grave must have a soil coverage of not less than 1 meter.					
S15A1	All cemeteries - single grave	474.56	541.00	412.28	470.00	15.11%
S15A2	All cemeteries - Doubble graves - depth for two coffins	736.84	840.00	561.40	640.00	31.25%
S15A3	Double grave next to each other	949.12	1 082.00	NEW	NEW	
S15A4	Children under 12years	356.14	406.00	NEW	NEW	
S15A3	Garden of Remembrance Fees	173.68	198.00	157.90	180.00	10.00%
S15B	**Indication of grave**					
S15B1	New graves (include inspection before and after funeral)	453.51	517.00	412.28	470.00	10.00%
S15B2	Existing graves	144.74	165.00	131.58	150.00	10.00%
	Non Residents:					
S15C	Plot Cost					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S15C1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S15D	**Indication of grave**					
S15D1	All Tariffs	Res Tariff X 5	Vat on Res Tariff X 5	Res Tariff X 5	Vat on Res Tariff X 5	
S18	**COMMERCIAL FILMING/PHOTOGRAPHING**					
S18A1	Large per day or part thereof ≥ 50 people	10 228.07	11 660.00	9 298.25	10 600.00	10.00%
S18A2	Small per day or part thereof more than 10 but < 50 people	3 579.82	4 081.00	3 254.39	3 710.00	10.00%
S18A3	Small per day or part thereof ≤ 10 people	1 022.81	1 166.00	929.82	1 060.00	10.00%
	Addition to Shoot					
S18C	Animals (per animal per day or part of a day)	125.44	143.00	114.04	130.00	10.00%
S18D	Area required for production and catering (per m² per day or part of a day)	28.95	33.00	26.32	30.00	9.99%
S18E	Cancellation Fee (per application at full permit fee)	15% of Fee	15% of Fee	15% of Fee	15% of Fee	
S18G	Enviromental Control Officer: Fees per hour or part thereof	298.25	340.00	280.70	320.00	6.25%
S18H	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	105.26	120.00	96.49	110.00	9.09%
S20	**CREDIT CONTROL AND DEBT COLLECTION**					
S20A1	Admin fee on arrear accounts Notices	289.47	330.00	263.16	300.00	10.00%
S20A2	Admin fee on 24 hour Notices - Bulk users	289.48	330.00	263.16	300.00	10.00%
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	482.46	550.00	438.60	500.00	10.00%
S22	**DOG TAX**					
S22A	Licence per dog	57.89	66.00	52.63	60.00	10.00%
S22B	Social pensioner and registered indigent clients on application	FREE	no vat applicable	FREE	no vat applicable	
S23	**FIRE SERVICES & DISASTER MANAGEMENT**					
S23A	Plot Clearing	Actual Cost + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	Actual Cost + R877.20 admin. Fee	(Actual Cost + Vat) + R1 000,00	0.00%
S23B	Re-inspection Fee under By-law	115.79	132.00	105.26	120.00	10.00%
S23C	**Extinghuising of Fires**					
S23C1	Extinguishing of structural fires per hour or part thereof per incident	1315.79	1500.00	NEW	NEW	
S23C2	Extinguishing of structural fires - indigent households	FREE	no vat applicable	NEW	NEW	
S23C3	Extinguishing of veld - and other fires per hour or part thereof	438.60	500.00	NEW	NEW	
S23C4	Assistance at motor vehcile accidents and rescues	FREE	no vat applicable	NEW	NEW	
S23D	**Standby at fire scene**					
S23D1	Per hour or part thereof for vehicle and fire fighters	438.60	500.00	NEW	NEW	
S23E	**Fire Prevention Inspections**					
S23E1	Tank installation - per tank	263.16	300.00	NEW	NEW	
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	263.16	300.00	NEW	NEW	
S23F	**Fire Safety**					
S23F1	1st and 2nd compliance inspection	FREE	no vat applicable	NEW	NEW	
S23F2	3rd and continuing compliance inspection	263.16	300.00	NEW	NEW	
S23G	**Events**					
S23G1	Inspection of location and issuing of Population Certificate	175.44	200.00	NEW	NEW	
S23G2	Standby at event per event per day or part thereof for vehicle and fire fighters	877.19	1000.00	NEW	NEW	
S23H	**Burn Permits**					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S23H1	Burn Permit Inspection	219.30	250.00	NEW	NEW	
S25	**LAW ENFORCEMENT**					
S25B	**Business License**					
S25B1	Business Licence - permanent stand	559.65	638.00	508.77	580.00	10.00%
S25B2	Business Licence - not permanent stand	221.93	253.00	201.75	230.00	10.00%
S25B3	Re-inspection Fee	110.97	126.50	100.88	115.00	10.00%
S25B4	Duplicate Licence Fee	110.97	126.50	100.88	115.00	10.00%
S25C	**Impoundment of Hawkers Goods**					
S25C1	Per Impoundment	492.11	561.00	447.37	510.00	10.00%
S25C2	Removal of illegal structure per structure	2 026.32	2 310.00	1 842.11	2 100.00	10.00%
S25C3	Storage Fee per day	130.26	148.50	118.42	135.00	10.00%
S25D	**Pound fee: Dogs and Cats**					
S25D1	Impoundment of Dogs and Cats	53.07	60.50	48.25	55.00	10.00%
S25D2	Pound fee: from day 2 per day	33.77	38.50	30.70	35.00	10.00%
S25E	**Pound fee: Other Animals**					
S25E1	Impoundment fee per week per animal	530.71	605.00	482.46	550.00	10.00%
S25F	**Bylaw on Outdoor Advertising**					
S25F1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	53.07	60.50	48.25	55.00	10.00%
S25F2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	530.71	605.00	482.46	550.00	10.00%
S28	**LIBRARY**					
S28A1	Copies: A3 / Page	3.07	3.50	2.81	3.20	9.25%
S28A2	Copies: A3 / Page - **Education Purposes ONLY Black & White**	2.63	3.00	NEW	NEW	
S28A3	Copies: A3 page Colour	6.58	7.50	6.14	7.00	7.17%
S28A4	Copies: A3 / Page - **Education Purposes ONLY Colour**	5.26	6.00	NEW	NEW	
S28A5	Copies: A4/Page	2.63	3.00	2.19	2.50	20.09%
S28A6	Copies: A4 / Page - **Education Purposes ONLY Black & White**	1.32	1.50	1.32	1.50	0.00%
S28A7	Copies: A4 page Colour	4.83	5.50	4.39	5.00	9.91%
S28A8	Copies: A4 / Page - **Education Purposes ONLY Colour**	2.63	3.00	NEW	NEW	
S28B1	Deposit to person/s **non-residents Fiction & Non-Fiction**	297.00	no vat	270.00	no vat	10.00%
S28C1	Fax per page - excluding 0865/6 numbers	3.38	3.85	3.77	4.30	-10.34%
S28C2	Fax per page - 0865/6 numbers	5.79	6.60	5.61	6.40	3.21%
S28D1	Lost Cards: Laminated (R/card)	17.54	20.00	14.04	16.00	24.97%
S28D2	Laminated Cost A3	4.39	5.00	NEW	NEW	
S28D3	Laminated Cost A4	2.19	2.50	NEW	NEW	
S28E1	Penalty per book per week	1.00	no vat	1.00	no vat	0.00%
S28E2	Penalty per record/CD per week	1.00	no vat	1.00	no vat	0.00%
S28E3	Penalty per video per day	2.00	no vat	2.00	no vat	0.00%
S28F1	Scanning of Document - Black & White	14.91	17.00	14.04	16.00	6.23%
S28F2	Scanning of Document - Colour	16.67	19.00	15.79	18.00	5.57%
S28G1	Special Requests - Hold per Book	2.63	3.00	2.63	3.00	-0.06%
S28G2	Special Requests - ILL per Book	4.39	5.00	4.39	5.00	0.09%
S28H1	Subscriptions/ reader - Adults (Non residents)	115.79	132.00	105.26	120.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S28H2	Subscriptions/ reader - Children (Non residents)	72.81	83.00	65.79	75.00	10.67%
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	279.83	319.00	254.39	290.00	10.00%
S28K	Visitor's fee - Handling charge / item	9.65	11.00	8.77	10.00	10.00%
S28L1	Hire of Library Hall per Hour - Fundraising event	109.65	125.00	NEW	NEW	
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	19.30	22.00	NEW	NEW	
S30	**STONY POINT**					
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 13 years and older)	13.16	15.00	8.77	10.00	50.06%
S30A2	Visitors fee Soney Point Nature Reserve per day (children from 6 - 12 years)	8.77	10.00	NEW	NEW	
S30A3	Visitors fee Stony Point Nature Reserve per day (children under 6 years)	no charge	no charge	no charge	no charge	
S30A4	Visitors fee Stony Point Nature Reserve - Permit, financial year, per person	96.49	110.00	87.72	100.00	10.00%
S32	**PARKING FEE**					
	Beaches: Grotto & Kleinmond (08:00 - 16:00)					
S32A	Bus Drop off (more than 14 seats)	105.26	120.00	96.49	110.00	9.09%
S32B	Parking Buses: Municipal Parking Area per day	166.67	190.00	149.12	170.00	11.77%
S32C	Per vehicle per day or part of a day - (Western Cape December School Holiday)	13.16	15.00	8.77	10.00	50.06%
S32D	Residents permit per year (only 2 per owner of erven)	52.63	60.00	35.09	40.00	49.99%
S32E	Season Ticket (Western Cape December School Holiday) (per Motor Vehicle)	115.79	132.00	105.26	120.00	10.00%
	Metered parking (excluding public holidays)					
S32P	Parking Monthly Permit per vehicle	385.97	440.00	350.88	400.00	10.00%
S32Q	Per Quarter Hour or part of it - Monday to Friday 08:30 - 16:00	0.96	1.00	0.88	1.00	0.00%
S32R	Per Half Hour or part of it - Monday to Friday 08:30 - 16:00	2.63	3.00	1.75	2.00	49.91%
S32S	Per Hour Normal (Monday to Friday : 08:30 - 16:00)	4.39	5.00	3.51	4.00	25.12%
S32T	Per Hour Saturday (08:30 - 13:00)	4.39	5.00	3.51	4.00	25.12%
S33	**OPERATIONAL COST**					
S33A	Application fee for Installation of Street Signage (brown direction boards)	cost + 15%	applicable vat	cost + 15%	applicable vat	
S34	**PROPERTY ADMINISTRATION**					
S34A	Application for Encroachment (Asset Management Policy (Par. 53.1; 53.2; 53.3, 53.4, 53.5)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S34B1	Application for purchase / lease of Municipal Property (***excluding Sport Facilities/Stalls and organs of state***)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S34B2	Application for purchase / lease of Municipal Property - registered Social Care Institutions / Organisations	438.60	500.00	438.60	500.00	0.00%
	Encroachment Fee:					
S34C	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 53.1)	333.33	380.00	302.63	345.00	10.14%
S34D	Road Reserves and public thoroughfares (per annum) (Par 53.2)	333.33	380.00	302.63	345.00	10.14%
S34E	Garden areas onto Commonage & Public Open Spaces or Conservation areas (per annum) (Par. 53.3)	333.33	380.00	302.63	345.00	10.14%
S34F	Enclosure or exclusive use or portions of the commonage or public open spaces for gardening purposes **(per m² per month)** (Par 53.4)	9.65	11.00	8.77	10.00	10.00%
S34G	Use of Municipal land for outdoor seating adjoining a Restaurant (per m² per month) (Par 53.5)	21.93	25.00	21.93	25.00	0.00%
S34G1	Temporary use (< 12 months) of Municipal land for general purposes (per m² per month)	21.93	25.00	21.93	25.00	0.00%
S34H	**Radio Mast**					

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S34H1	Equipment on Mast - per month per mast	1 466.66	1 672.00	1 333.33	1 520.00	10.00%
S34H2	Space in building per m² - per month	385.97	440.00	350.88	400.00	10.00%
S34H3	Space outside the building per m² - per month	192.98	220.00	175.44	200.00	10.00%
S34H4	Land for installation of a new mast per m² - per month	48.25	55.00	43.86	50.00	10.00%
	Memorial Benches					
S34J	Memorial Benches (Installation)	2 412.28	2 750.00	2 192.98	2 500.00	10.00%
S34K	Memorial Benches (per Annum)	192.98	220.00	175.44	200.00	10.00%
S36	**PROPERTY INFORMATION**					
S36A1	Clearance Certificate (R/certificate) - **ELECTRONIC**	72.81	83.00	65.79	75.00	10.67%
S36A2	Clearance Certificate (R/certificate) - **MANUAL**	221.93	253.00	201.75	230.00	10.00%
S36B1	Deeds office registrations with sales information (R/100 erven or part)	96.49	110.00	87.72	100.00	10.00%
S36B2	Deeds office registrations with sales information (R/erf)	24.56	28.00	21.93	25.00	11.99%
S36C	Extract from the Valuation Roll (R/page)	7.90	9.00	7.02	8.00	12.46%
S36F	Revaluation fee	1 379.83	1 573.00	1 254.39	1 430.00	10.00%
S36G1	Valuation Certificate (R/certificate) - **ELECTRONIC**	34.21	39.00	30.70	35.00	11.43%
S36G2	Valuation Certificate (R/certificate) - **MANUAL**	115.79	132.00	105.26	120.00	10.00%
S36H	Access of valuation roll Information on CD	289.47	330.00	289.47	330.00	0.00%
S40	**RENTAL: COMMUNITY HALLS**					
S40.1	All events hosted where the municipal council or administration is the official host	free of charge	free of charge	**free of charge**	**free of charge**	
S40.2	Day tariff for all approved festivals per day	723.68	825.00	657.90	750.00	10.00%
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat	
S40A	**Auditorium & Banqueting Hall**					
S40A1	Deposit for all functions (refundable)	1 540.00	no vat	1 400.00	no vat	10.00%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	463.16	528.00	421.05	480.00	10.00%
S40A3	Hire of Auditorium per Hour or part of a hour	231.58	264.00	210.53	240.00	10.00%
S40A4	Hire of Banqueting Hall per Hour or part of a hour	347.37	396.00	315.79	360.00	10.00%
Note	*Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.*					
S40A5	*Non-fundraising events for Schools, other training institutions and sport & recreation*	350.88	400.00	New	New	
S40A6	Piano per event	Actual Tuning Cost + R275.44 admin. Fee	Actual Tuning Cost + R314.00	Actual Tuning Cost + R250.00 admin. Fee	Actual Tuning Cost + R285.00	10.18%
S40A7	Sound OR Ligthing Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40A8	Where use is made of the crockery and other facilities i.e. stove, fridge	482.46	550.00	438.60	500.00	10.00%
S40A9	After Midnight	tariff X 2	applicable vat	tariff X 2	applicable vat	
S40A10	Fund raising event: Local CBO's and NGO's per hour per venue	212.28	242.00	192.98	220.00	10.00%
S40A11	Non-fundraising event: Local CBO's and NGO's per hour per venue	144.74	165.00	131.58	150.00	10.00%
S40A12	Preparation for event - per hour / per event dependent on hourly or per event tariff applied	96.49	110.00	87.72	100.00	
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	212.28	242.00	192.98	220.00	10.00%
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	19.30	22.00	17.54	20.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S40C	**Barracks - Kleinmond**					
S40C1	Hire per room per month	31.58	36.00	28.07	32.00	12.50%
S40E	**Baardskeerdersbos / Betty's Bay / Blompark / Buffelsjags /Eluxolweni / Gansbaai Tourism / Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Mooiuitsig / Overhills / Pringele Bay / Proteadorp / Stanford / Stanford Committee Room / Zwelihle**					
S40E1	Deposit: (refundable) Fundraising	0.00	no vat	190.00	no vat	-100.00%
S40E2	Deposit: (refundable) Funeral Tea	0.00	no vat	75.00	no vat	-100.00%
S40E3	Deposit: (refundable) Non Fundraising	0.00	no vat	130.00	no vat	-100.00%
S40E4	Fundraising: (Karaoke) Per daytime *or* evening	212.28	242.00	192.98	220.00	10.00%
S40E5	Funeral Tea (three hours)	86.85	99.00	78.95	90.00	10.00%
S40E6	Government Imbizos - Per daytime *or* evening	1 485.97	1 694.00	1 350.88	1 540.00	10.00%
S40E7	*Non-fundraising events for Schools, other training institutions and sport & recreation*	175.44	200.00	New	New	
S40E8	Meetings: Local CBO's and NGO's per hour	19.30	22.00	17.54	20.00	10.00%
S40E9	Non-fundraising (parties) Per daytime *or* evening	106.14	121.00	96.49	110.00	10.00%
S40E10	Use of Kitchen - Fundraising events per ***event***	192.98	220.00	175.44	200.00	10.00%
S40E11	Use of Kitchen - Non Fundraising	No charge	no vat	No charge	no vat	
Note	***Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00***					
S40J	**Kleinmond Hall & Hawston Multi Purpose Centre**					
S40J1	Deposit: (refundable) Funeral Teas, Church Services, Government Imbizos & Meetings.	400.00	no vat	380.00	no vat	5.26%
S40J2	Deposit: Hawston Multi Purpose Centre	1 000.00	no vat	1 000.00	no vat	0.00%
S40J3	Fundraising: Karaoke, Disco, competitions, etc. per daytime or evening	482.46	550.00	438.60	500.00	10.00%
S40J4	Funeral Tea (three hours)	86.85	99.00	78.95	90.00	10.00%
S40J5	Government Imbizos (per day)	1 485.97	1 694.00	1 350.88	1 540.00	10.00%
S40J6	*Non-fundraising events for Schools, other training institutions and sport & recreation*	175.44	200.00	New	New	
S40J7	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	212.28	242.00	192.98	220.00	10.00%
S40J8	Meetings: Local CBO's, NGO's per hour (only large groups > 30)	19.30	22.00	17.54	20.00	10.00%
S40J9	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	96.49	110.00	87.72	100.00	10.00%
S40J10	Sound OR Ligthing Equipment per event (each item) per hour	72.81	83.00	65.79	75.00	10.67%
S40J11	Use of kitchen (per event per day)	231.58	264.00	210.53	240.00	10.00%
S40J12	Use of kitchen (per event per day) - Welfare, churches, non-profit organizations	231.58	264.00	210.53	240.00	10.00%
S43	**RENTAL: HAWKERS' STALLS, OPEN SPACES & BEACHES**					
S43A	**CBD**					
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	19.29	22.00	17.54	20.00	10.00%
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	28.95	33.00	26.32	30.00	9.99%
S43B	**Outside the CBD**					
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	65.79	75.00	59.65	68.00	10.29%
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	28.07	32.00	25.44	29.00	10.34%
S43D	**Public Open Space**					
S43D1	Car Park - Private Car Sales per day (demarcated areas)	26.32	30.00	23.68	27.00	11.15%
S43D2	Funfair, Circus etc per day	627.19	715.00	570.18	650.00	10.00%
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat	
S43D4	Sport Events per day	2 846.49	3 245.00	2 587.72	2 950.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S43F	**Beaches**					
S43F1	Beach Rentals - per day (Private functions)	916.66	1 045.00	833.33	950.00	10.00%
S46	**RENTAL: OFFICE**					
S46A	Rental per m² / pm	86.85	99.00	78.95	90.00	10.00%
S46A1	Rental per m² / pm (except the Hermanus area)	43.86	50.00	new	new	
S46A2	NGO's/NPO's per m² / pm	26.32	30.00	new	new	
S46B	Local Municipal Council Functions	no charge	no vat	no charge	no vat	
S48	**RENTAL: SPORT FACILITIES**					
S48A	**Spaces for Sport - Gansbaai**					
S48A1	Club House - per hour (private events)	121.05	138.00	109.65	125.00	10.40%
S48A2	Club House - Sport events (Overstrand Teams)	no charge	no vat	no charge	no vat	
S48A3	Club House - Sport Event - per hour	60.53	69.00	55.26	63.00	9.53%
S48A4	Sport grounds - Non Overstrand per event	1 192.98	1 360.00	1 084.21	1 236.00	10.03%
S48A6	Sport grounds - Functions/Events (excluding departmental events)	657.90	750.00	597.37	681.00	10.13%
S48A7	Gym fees per month	61.40	70.00	55.26	63.00	11.11%
S48B	**Deposit**					
S48B1	Sport fields	645.00	no vat	585.00	no vat	10.26%
S48B2	Clubhouse	380.00	no vat	350.00	no vat	8.57%
S49	**RENTAL: UNDEVELOPED SERVICED ERVEN**					
S49A	Wetcore Stands - rent per month	26.32	30.00	new	new	
S50	**SCHUSS HOUSES KLEINMOND**					
S50A	Rent per month	714.03	814.00	649.12	740.00	10.00%
S55	**SUNDRY**					
S55A	Access to Information as per Act (2 of 2000) - Tariffs	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	As Stipulated in the Act	
S55B1	Administration Cost - RD ACB	50.88	58.00	45.61	52.00	11.55%
S55B2	Administration Cost - RD cheques ,Post Dated Cheques	actual cost + R34.21	actual cost + R39.00	actual cost + R30.70	actual cost + R35.00	11.43%
S55B3	Administration Cost - Trace of Direct Deposit	70.18	80.00	63.16	72.00	11.11%
S55C	Copies of Council Agendas and Minutes per **annum**	993.86	1 133.00	903.51	1 030.00	10.00%
S55D1	Copies: A3 page	3.07	3.50	3.07	3.50	0.00%
S55D2	Copies: A3 page Colour	6.58	7.50	6.14	7.00	7.17%
S55D3	Copies: A4 page	2.41	2.75	2.19	2.50	10.00%
S55D4	Copies: A4 page Colour	4.83	5.50	4.39	5.00	9.91%
S55E	Foreign Bank Cost	actual cost	actual vat	actual cost	actual vat	
S55F1	Fax per page - excluding 0865/6 numbers	3.38	3.85	3.07	3.50	10.00%
S55F2	Fax per page - 0865/6 numbers	5.79	6.60	5.26	6.00	10.00%
S55G1	Interest on accounts in arrear	prime + 4%	no vat	prime + 4%	no vat	
S55G2	Placard / Poster Deposit for Elections	3 300.00	no vat	3 000.00	no vat	10.00%
S55G4	Placard / Poster Deposit for Political Parties	3 300.00	no vat	3 000.00	no vat	10.00%
S55H	Placard / Poster each	11.58	13.20	10.53	12.00	10.00%
S55I	Duplicate Account	5.79	6.60	5.26	6.00	10.00%
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	2 332.00	no vat	2 120.00	no vat	10.00%
S55K1A	Tender objection deposit (refundable if appeal is upheld)	2 332.00	no vat	2 120.00	no vat	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S55k1B	Tender objection deposit (partially upheld - refundable)	1 166.00	no vat	1 060.00	no vat	10.00%
S55K2	Tender documentation Administration Fee: (less than 20 pages)	23.16	26.40	21.05	24.00	10.00%
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	125.44	143.00	114.04	130.00	10.00%
S55K4	Tender documentation Administration Fee: (more than 50 pages)	501.75	572.00	456.14	520.00	10.00%
S55L	Advertising Signs Auctioneers per 14days	357.02	407.00	324.56	370.00	10.00%
S55K1	Laminated Cost A3	4.39	5.00	NEW	NEW	
S55K2	Laminated Cost A4	2.19	2.50	NEW	NEW	
S60	**SWIMMING POOL**					
S60A	**Daily Tariffs**					
S60A1	Adults - per person per DAY or part of a day	7.02	8.00	6.14	7.00	14.33%
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60A4	Galas	72.81	83.00	65.79	75.00	10.67%
S60A5	Training sessions (Schools & Clubs) per season	115.79	132.00	105.26	120.00	10.00%
S60B	**Peak time Tariffs (Hourly tariffs) (Western Cape December Holiday plus Easter Weekend)**					
S60B1	Adults - per person per hour or part of a hour	0.88	1.00	0.88	1.00	0.00%
S60B2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat	
S60B4	Galas	72.81	83.00	65.79	75.00	10.67%
S65	**TOP MANAGEMENT CONSULTATIONS**					
S65A1	Consultation Fee (Top Management) per hour	675.44	770.00	614.04	700.00	10.00%
S65A2	Deposit: Consultation	7 700.00	no vat	7 000.00	no vat	10.00%
S72	**TOWN PLANNING: APPLICATION FEES**					
S72A	Amendment of application and conditions	1 640.35	1 870.00	1 491.23	1 700.00	10.00%
S72B	Application for amendment of structure plan or SDF	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72F	Removal of Title Deed Restrictions	2 508.77	2 860.00	2 280.70	2 600.00	10.00%
S72F1	Erven **smaller** than 300 m²	391.23	446.00	NEW	NEW	
S72F2	Erven **larger** than 300 m²	2 732.46	3 115.00	NEW	NEW	
S72H	**Subdivision (cummulative)**					
S72H1	up to 5 erven	3 763.16	4 290.00	3 421.05	3 900.00	10.00%
S72H2	6 to 10 erven	4 438.60	5 060.00	4 035.09	4 600.00	10.00%
S72H3	More than 10	6 271.93	7 150.00	5 701.75	6 500.00	10.00%
S72I1	Application for Consent Uses/Special Consent	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72I1	Application for Consent Uses/Special Consent (Erven smaller than 300m²)	405.26	462.00	368.42	420.00	10.00%
S72J	**Application for Rezoning**					
S72J1	Erven **smaller** than 300 m²	405.26	462.00	368.42	420.00	10.00%
S72J2	Erven **between** and including 300 m² and 5000 m²	3 184.21	3 630.00	2 894.74	3 300.00	10.00%
S72J3	Erven **larger** than 5000 m²	4 438.60	5 060.00	4 035.09	4 600.00	10.00%
S72K	**Departure**					
S72K1A	Application for Departure (Land Use)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72K1B	Application for Departure (Erven smaller than 300m²)	337.72	385.00	307.02	350.00	10.00%
S72K2	Application for Departure/Consent Use (**Building Lines)**					
S72K2A	Erven **smaller** than 300 m²	405.26	462.00	368.42	420.00	10.00%

SUNDRY TARIFFS

Tariff Code	Detail	2014/2015		2013/2014		1.10
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
S72K2B	Erven **larger** than 300 m²	1 736.85	1 980.00	1 578.95	1 800.00	10.00%
S72L	Amendment of Approval / Conditions (Sec 4(7) of the Land Use Planning Ordinance, Ordinance 15 of 1985)	1 543.86	1 760.00	1 403.51	1 600.00	10.00%
S72M	Contravention Application (Sec 40 of the Land Use Planning Ordinance, Ordinance 15 of 1985)	1 929.83	2 200.00	1 754.39	2 000.00	10.00%
S72N	Extention of Time	511.40	583.00	464.91	530.00	10.00%
S75	**TOWN PLANNING: LAND USE PLANNING FEE**					
S75A1	Advertising Costs Government Gazette	2 701.75	3 080.00	2 456.14	2 800.00	10.00%
S75A2	Advertising Costs Local newspapers	2 701.75	3 080.00	2 456.14	2 800.00	10.00%
S75A3	Advertising Costs - Placing of Final Notice in the Government Gazette	1 754.39	2 000.00			
S75B	Regulations of Zoning schemes	318.42	363.00	289.47	330.00	10.00%
S75C	Spatial Development Framework	752.63	858.00	684.21	780.00	10.00%
S75D	Zoning Certificate	192.98	220.00	175.44	200.00	10.00%
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat	
S75F	CD - Planning Documents	318.42	363.00	NEW	NEW	
S80	**TRAFFIC**					
S80J	**Business & Other functions**					
S80J1	Per officer per hour or part thereof - Mon - Sat	337.72	385.00	307.02	350.00	10.00%
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	385.97	440.00	350.88	400.00	10.00%
S80J4	Administrative fee for provision of officers - per application	96.49	110.00	87.72	100.00	10.00%
S80K	**Removal of Vehicles/Towing Fee**					
S80K1	Removal of Vehicles per vehicle	810.52	924.00	736.84	840.00	10.00%
S80K2	Storage Fees per day	221.93	253.00	201.75	230.00	10.00%
S80K3	Towing Charge	Cost plus 15%	applicable bat	Cost plus 15%	applicable bat	
S80K4	Wheel Clamping per vehicle	192.98	220.00	175.44	200.00	10.00%
S80L	**Traffic Cones**					
S80L1	Hire of Traffic Cones per Cone	48.25	55.00	43.86	50.00	10.00%
S80P	**Disabled Parking Token**					
S80P1	Disabled Parking Token per application	96.49	110.00	87.72	100.00	10.00%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	**REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)**	**R**	**R**	**R**	**R**	
	DOMESTIC WASTE					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (**R/Month**)	130.18	148.40	122.81	140.00	6.00%
SA1A2	Residential Indigent (All registered erven/unit with approved building plan) 1 x removal per week **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
	BUSINESS WASTE					
SAN1C	Commercial/Businesses (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (**R/Month)**	130.18	148.40	122.81	140.00	6.00%
SA1N1	Bulk Container 240L (Wheeley bin) **(R/Month) 1** X per week (if available)	130.18	148.40	122.81	140.00	6.00%
SAN1N	Bulk Container 240L (Wheeley bin) **(R/Month) 2** X per week (if available)	260.35	296.80	245.61	280.00	6.00%
SA1N3	Bulk Container 240L (Wheeley bin) **(R/Month) 3** X per week CBD (if available)	390.53	445.20	368.42	420.00	6.00%
SA1N4	Bulk Container 240L (Wheeley bin) **(R/Month) 4** X per week CBD (if available)	520.70	593.60	491.23	560.00	6.00%
SA1N2	Bulk Container 240L (Wheeley bin) **(R/Month) 5** X per week CBD (if available)	650.88	742.00	614.04	700.00	6.00%
SAN1O	Camphill Route **(R/Month)** (If available)	1 022.80	1 166.00	964.91	1 100.00	6.00%
SAN1P	Additional Removals per week on **Saturday** per Bin **(R/Month)** Peak Time per removal	195.26	222.60	184.21	210.00	6.00%
SA1P1	Additional Removals on request Central Town (CBD) per bin **(R/Month**) (Sunday or Public Holidays) Peak Time per removal	260.35	296.80	245.61	280.00	6.00%
SA1Q1	Caravan Sites, Chalets, Semi-permanent & Resorts **(R/Month)** (Uilenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) **NO REMOVAL (per unit/site)**	41.84	47.70	39.47	45.00	6.00%
SAN1R	Departmental Consumption (Municipal Consumption per removal site per **month**)	111.58	127.20	105.26	120.00	6.00%
SAN1U	Schools **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
SAN1T	Removal outside service area (per removal per hour) (If available)	976.31	1 113.00	921.05	1 050.00	6.00%
SAN1V	Single Quarters & Transit Camps per unit	41.84	47.70	39.47	45.00	6.00%
SAN1W	Guesthouses, Bed & Breakfast **(R/Month)**	130.18	148.40	122.81	140.00	6.00%
SAN2	**SELF DUMPING TRANSFER STATIONS & DUMPING SITES:**					
SA2B1	Vehicles >1 & up to 2 Ton per load	149.12	170.00	140.35	160.00	6.25%
SA2B2	Vehicles >2 & up to 3 Ton per load	223.68	255.00	210.53	240.00	6.25%
SA2B3	Vehicles >3 & up to 4 Ton per load	298.25	340.00	280.70	320.00	6.25%
SA2B4	Vehicles >4 & up to 5 Ton per load	371.93	424.00	350.88	400.00	6.00%
SA2B5	Vehicles >5 & up to 6 Ton per load (no admission to transfer station, only to dumping sites)	446.49	509.00	421.05	480.00	6.04%

REFUSE (SOLID WASTE)

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SA2B6	Vehicles >6 & up to 7 Ton per load (no admission to transfer station, only to dumping sites)	521.05	594.00	491.23	560.00	6.07%
SA2B7	Vehicles >7 & up to 8 Ton per load (no admission to transfer station, only to dumping sites)	585.97	668.00	552.63	630.00	6.03%
SA2B8	Vehicles >8 & up to 9 Ton per load (no admission to transfer station, only to dumping sites)	660.53	753.00	622.81	710.00	6.06%
SA2B9	Vehicles >9 & up to 10 Ton per load (no admission to transfer station, only to dumping sites)	735.09	838.00	692.98	790.00	6.08%
SA2B11	Vehicles >10 Ton per load (no admission to transfer station, only to dumping sites)	883.33	1 007.00	833.33	950.00	6.00%
SAN4	**BASIC FEE REFUSE SERVICE (Erven without approved building plans)**					
SAN4A	All registered erven without approved building plans **(R/Month)**	65.08	74.20	61.40	70.00	6.00%
SAN5	**SUNDRIES**					
SAN5A	Rental of Bulk Container per day (including disposal)	68.86	78.50	64.91	74.00	6.08%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	530.00	no vat	500.00	no vat	6.00%
SAN5C	Asbestos Sheet - per unit	49.30	56.20	46.49	53.00	6.04%
SAN5D	Baboon Resistant 240L Wheeley bin with lock delivered to homes on programme	771.75	879.80	728.07	830.00	6.00%

THE REFUSE REMOVAL TARIFF IS MADE UP AS FOLLOWS: REMOVAL 40%, DISPOSAL 10% AND A BASIC FEE OF 50%

SEWER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE7A	**SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)**					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service included maximum of 2 (two) vacuum tanker services, only during office hours per month. For after hours service and more than 2 tank services, refer to tariff SE9B.	10.26	11.70	9.65	11.00	6.32%
	SEWERAGE - REGISTERED INDIGENT HOUSEHOLDS					
SE7A4	0 - 4.2 kl - **subsidised**	10.26	11.70	9.65	11.00	6.32%
SE7A5	4.3 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month , Conservancy tank service included maximum of 2 (two) vacuum tanker services, only during office hours per month. For after hours service and more than 2 tank services, refer to tariff SE9B.	10.26	11.70	9.65	11.00	6.32%
SE7B	**SEWERAGE - GENERAL RESIDENTIAL (Blocks of flats and Residential Buildings)**					
SE7B1	0 - 45kl per kl (based on 90% of 50kl water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE7C	**SEWERAGE - GUEST HOUSE; BED & BREAKFAST ESTABLISHMENTS**					
SE7C1	per kl (based on 70% of water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE7D	**CONSUMPTION - ALL OTHER (Including Commercial, Industrial, School, Sport, etc)**					
SE7D1	per kl (based on 90% of water usage) per unit per month - this percentage may be adjusted according to the Tariff Policy after investigation	10.26	11.70	9.65	11.00	6.32%
SE7E	**CONSUMPTION - DEPARTMENTAL**					
SE7E1	0 - 35 kl per kl (based on 70% of 50kl water usage) per unit per month	10.26	11.70	9.65	11.00	6.32%
SE8	**BASIC CHARGE**					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	91.14	103.90	85.97	98.00	6.02%
SE8B	Basic Monthly Charge Undeveloped sites - can not connect to the network per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
SE8C	Basic Monthly Charge Undeveloped sites - can connect to the network per erf/unit per month	109.65	125.00	130.70	149.00	**-16.11%**
SE8D	Basic Monthly Charge Developed sites - with a septic Tank per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
SE8E	Basic Monthly Charge - Low Cost Housing & Single Quarters per erf/unit per month	61.40	70.00	57.90	66.00	6.05%
	Infrastructure					
SE8F	Fixed Infrastructure Basic Charge per erf/unit per month	9.60	10.94	9.60	10.94	**0.00%**
SE9	**SUNDRY CHARGES**					
SE9A	**Vacuum Tanker Service for users not paying tariffs SE7 above - PROVIDED ON REQUEST**					
SE9A1	Vacuum Tanker Service provided on request < 6kl (per 6kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A2	Vacuum Tanker Service provided on request < 5kl (per 5kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A4	Vacuum Tanker Service provided on request > 6kl (per 6kl or part thereof)	419.30	478.00	395.61	451.00	5.99%
SE9A5	Call out fee for Tank Service request but no service due to another defect	419.30	478.00	395.61	451.00	5.99%
SE9A6	More than 3 pipes an additional fee per pipe for users not paying tariff SE7 above	61.40	70.00	57.90	66.00	6.05%
SE9BA	**After Hours Vacuum Tanker Service - PROVIDED ON REQUEST**					
SE9B1	After Hours - per request < 6kl (per 6kl or part thereof)	838.60	956.00	791.23	902.00	5.99%

SEWER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SE9B2	After Hours - per request > 6kl (per 6kl or part thereof)	838.60	956.00	791.23	902.00	5.99%
SE9B3	After Hours - per request < 5kl (per 5kl or part thereof)	838.60	956.00	791.23	902.00	5.99%
SE9B2	After Hours Businesses with Public Toilets per removal	251.75	287.00	236.84	270.00	6.30%
SE9C	**Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST**					
SE9C1	Normal Applicable Tariff (SE9A1 or SE9A2 or SE9A4) plus additional per hour	251.75	287.00	236.84	270.00	6.30%
SE9C2	Normal ApplicableTariff (SE9A1 or SE9A2 or SE9A4)) plus additional per km	12.28	14.00	11.40	13.00	7.72%
	After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST					
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) plus additional per hour	251.75	287.00	236.84	270.00	6.30%
SE9C7	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) plus additional per km	12.28	14.00	11.40	13.00	7.72%
SE9D	**Testing and Connection Fees**					
SE9D1	Testing of the septic and conservancy tanks per test	1 050.88	1 198.00	991.23	1 130.00	6.02%
SE9D2	Smallbore sewerage connection fee + tank test	4 824.56	5 500.00	3 118.42	3 555.00	54.71%
SE9D3	Sewer Connection	3 614.91	4 121.00	2 723.68	3 105.00	32.72%
SE9E	**Disposal**					
SE9E1	Charge per kl or part thereof	52.63	60.00	49.28	56.18	6.80%

The cut off time for service delivery on the same day will be at 15:00. Any requests for tanker services after 15:00 will be charged at the after hour rate or will stand over untill the next working day.

SEW10	BULK SERVICES DEVELOPMENT FEES
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy

ELECTRICITY

Tariff Code	Detail		2014/2015		2013/2014		1.060
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
ED	**ELECTRICITY CONSUMER DEPOSITS**						
ED2A1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	0.00	no vat	0.00%
ED2B2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	no vat	calculated	no vat	
ED2C3	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED3A	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	4 166.00	no vat	3 850.00	no vat	8.21%
ED3B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED4A	Domestic Three Phase Credit Meter (Two Part Tariff)- Electricity	R	7 033.00	no vat	6 500.00	no vat	8.20%
ED4B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED5A	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 224.00	no vat	7 600.00	no vat	8.21%
ED5B	Two Times average consumption during the preceding 12 months (Defaulters)	R	calculated	no vat	calculated	no vat	
ED6A	Domestic & Commercial Single Phase P/Paid (Two Part Tariff) - Electricity	R	424.00	no vat	400.00	no vat	6.00%
ED7A	Domestic & Commercial Three Phase P/Paid (Two Part Tariff) - Electricity	R	1 304.00	no vat	1 230.00	no vat	6.02%
ED8	Deposit - Registered Indigent	R	138.00	no vat	130.00	no vat	6.15%
EF	**FIXED CHARGES**						
EF1	Infrastructure Charge per Meter per month	R	16.65	18.98	16.65	18.98	0.00%
E1	**SINGLE PHASE : DOMESTIC**						
E1A	**Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)**						
E1A1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	95.96	109.39	88.68	101.10	8.20%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	130.01	148.22	120.16	136.98	8.20%
E1A4	IBT BLOCK 3 > 600 kWh	c	156.70	178.64	144.83	165.10	8.20%
E1B	**Two-Part Tariff: Pre-Paid up to 60 Amp (13.8 kVA BDMD) (Included Resorts)**						
E1B1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	88.64	101.05	81.93	93.40	8.20%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	122.51	139.67	113.23	129.08	8.20%
E1B4	IBT BLOCK 3 > 600 kWh	c	150.62	171.71	139.20	158.69	8.20%
E1C	**SINGLE PHASE : COMMERCIAL**						
E1C1	Basic Monthly charge per meter	R	204.56	233.20	192.98	220.00	6.00%
E1C2	kWH Unit cost - Credit Meters	c	133.20	151.85	123.11	140.34	8.20%
E1C3	KwH Unit cost - Pre-paid meters	c	125.52	143.09	116.01	132.25	8.20%
E1D	**Life Line One part tariff (Pre-paid meters only) ≤ 30 Amp with Maximum consumption of 350 kWH with average measured over twelve month period. Only available to Informal dwellings**						
	kWH Unit cost						
E1D1	IBT BLOCK 1 0 - 350 kWh	c	87.90	100.21	81.93	93.40	7.29%
E1E	**One part tariff (Pre-paid meters only) Local Economic Development Projects**						
	kWH Unit cost						
E1E1	IBT BLOCK 1 0 - 350 kWh	c	151.86	173.12	140.35	160.00	8.20%
E3	**THREE PHASE: COMMERCIAL & DOMESTIC**						

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Tariff Code	Detail		2014/2015		2013/2014		1.060
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E3E	**Two-Part Tariff: (*up to* 100A,Credit) (70 kVA BDMD) DOMESTIC**						
E3E1	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
	kWH Unit cost						
E3E2	IBT BLOCK 1 0 - 350 kWh	c	95.96	109.39	88.68	101.10	8.20%
E3E3	IBT BLOCK 2 351 - 600 kWh	c	130.01	148.22	120.16	136.98	8.20%
E3E4	IBT BLOCK 3 > 600 kWh	c	156.70	178.64	144.83	165.10	8.20%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid) (70 kVA BDMD) DOMESTIC**						
E3E5	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
	kWH Unit cost						
E3E6	IBT BLOCK 1 0 - 350 kWh	c	88.64	101.05	81.93	93.40	8.20%
E3E7	IBT BLOCK 2 351 - 600 kWh	c	122.51	139.67	113.23	129.08	8.20%
E3E8	IBT BLOCK 3 > 600 kWh	c	150.62	171.71	139.20	158.69	8.20%
E3E	**Two-Part Tariff: (*up to* 100A,Credit)(70 kVA BDMD) COMMERCIAL**						
E3E9	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
E3E10	**kWH Unit cost**	c	133.20	151.85	123.11	140.34	8.20%
E3E	**Two-Part Tariff: (*up to* 100A, Prepaid)(70 kVA BDMD) COMMERCIAL**						
E3E11	Basic Monthly charge per meter	R	409.12	466.40	385.97	440.00	6.00%
E3E12	**kWH Unit cost**	c	125.52	143.09	116.01	132.25	8.20%
E3G	**One-Part Tariff: (up to 100A,only prepaid) (70 kVA BDMD) Businesses, Flats, Sport grounds, Churches.(minimum of 800kWH average for twelve months)**						
E3G1	**kWH Unit cost**	c	166.29	189.57	153.69	175.21	8.20%
E5	**TIME OF USE TARIFF: Based on Eskom RURAFLEX - *MUNIC* LV OR HV**						
	Service Charge (per month)						
E5A1	≤ 100 kVA	R	600.63	684.72	566.63	645.96	6.00%
E5A2	> 100 kVA & ≤ 500 kVA	R	2 332.53	2 659.08	2 200.50	2 508.57	6.00%
E5A3	> 500 kVA & ≤ 1 MVA	R	6 036.04	6 881.09	5 694.38	6 491.59	6.00%
E5A4	> 1MVA	R	6 964.87	7 939.95	6 570.63	7 490.52	6.00%
	Winter (June, July & August)						
E5A5	Peak kWh Unit Charge	c	394.93	450.22	365.00	416.10	8.20%
E5A6	Standard kWh Unit Charge	c	101.24	115.42	93.57	106.67	8.20%
E5A7	Off Peak kWh Unit Charge	c	53.26	60.71	49.22	56.11	8.20%
E5A8	Reactive Energy	c	6.33	7.22	5.85	6.67	8.20%
	Summer (September to May)						
E5A9	Peak kWh Unit Charge	c	108.77	124.00	100.53	114.60	8.20%
E5A10	Standard kWh Unit Charge	c	65.89	75.12	60.90	69.43	8.20%
E5A11	Off Peak kWh Unit Charge	c	45.53	51.90	42.08	47.97	8.20%
	Sundry Charges						
E5A12	Access Charge (R/kVA/m)	R	16.20	18.47	14.97	17.07	8.20%
E5A13	Reliability Service Charge	c	0.37	0.42	0.34	0.39	8.20%
E5A14	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	766.89	874.25	708.77	808.00	8.20%

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Tariff Code	Detail		2014/2015		2013/2014		1.060
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
E6	**SUBSIDIZED TARIFFS: Grant to be shown separately**						
E7	**PUBLIC LIGHTING**						
E7A1	Streetlights (metered) per kWh	c	57.35	65.37	53.00	60.42	8.20%
E7A2	Streetlights (consumption) (R per 100watt /per month)	R	20.12	22.93	18.59	21.20	8.20%
E7A5	Illuminated street sign boards per month	R	20.12	22.93	18.59	21.20	8.20%
E8	**CASUAL SUPPLIES**						
E8A1	Per connection includes disconnection excluding hire of kiosk	R	786.40	896.50	714.91	815.00	10.00%
E8A2	Consumption per day/CB Ampere size (per amp) if not metered	R	5.64	6.43	5.12	5.84	10.00%
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	R	307.02	350.00	307.02	350.00	0.00%
E8A4	Deposit (Usage will be subtracted)	R	1 060.00	no vat	1 000.00	no vat	6.00%
E9	**AVAILABILITY CHARGES**						
E9A1	Availability charge per vacant plot per month	R	204.56	233.20	192.98	220.00	6.00%
E9A2	Infrastructure per vacant plot per month	R	16.65	18.98	16.65	18.98	0.00%
E10	**SUNDRY CHARGES**						
E10A1	Call-out Fee - (office hours)	R	492.11	561.00	447.37	510.00	10.00%
E10A2	Call-out Fee - after hours (Weekdays & Saturdays)	R	742.98	847.00	675.44	770.00	10.00%
E10A3	Call-out Fee - after hours (Sundays & Public Holidays)	R	984.21	1 122.00	894.74	1 020.00	10.00%
E10A4	MV. Switching on Council's equipment (office hours)	R	1 466.66	1 672.00	1 333.33	1 520.00	10.00%
E10A5	MV. Switching on Council's equipment -after hours (Weekdays & Saturdays)	R	2 200.00	2 508.00	2 000.00	2 280.00	10.00%
E10A6	MV. Switching on Council's equipment -after hours (Sundays & Public holidays)	R	2 933.34	3 344.00	2 666.67	3 040.00	10.00%
E10A7	Contractor Inspection 2nd	R	492.11	561.00	447.37	510.00	10.00%
E10A8	Contractor Inspection 3rd	R	742.98	847.00	675.44	770.00	10.00%
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval	R	414.91	473.00	377.19	430.00	10.00%
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval	R	820.17	934.99	745.61	850.00	10.00%
E10A11	Disconnection	R	241.23	275.00	219.30	250.00	10.00%
E10A12	Reconnection	R	241.23	275.00	219.30	250.00	10.00%
E10A13	Verification of a Meter Reading	R	241.23	275.00	219.30	250.00	10.00%
E10A14	Administration fee - recalculation due to no meter access	R	125.44	143.00	114.04	130.00	10.00%
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable)	R	443.86	506.00	403.51	460.00	10.00%
E10A16	Test of Meter: All other Meters (Conditionally Refundable)	R	916.66	1 045.00	833.33	950.00	10.00%
E10A17	Tariff change - change between one part and two-part	R	164.03	187.00	149.12	170.00	10.00%
E10A18	Damage elect meter (based on meter cost + call out X 2 + 15%)	R	1 061.40	1 210.00	964.91	1 100.00	10.00%
E10A19	Damage elect meter 3 phase (based on meter cost + call out X 2 + 15%)	R	1 669.29	1 903.00	1 517.54	1 730.00	10.00%
E10A20	Damage of Bulk meter	R	8 539.48	9 735.00	7 763.16	8 850.00	10.00%
E10A21	Change from Bulk to Time of Use (with existing bulk meter) + Deposit on request of user	R	492.11	561.00	447.37	510.00	10.00%
E10A22	Change from Bulk to Time of Use (without existing bulk meter) + Deposit	R	8 539.48	9 735.00	7 763.16	8 850.00	10.00%
E10A23	Commission of Bulk meter, supplied by customer (callout x 3)	R	1 485.97	1 694.00	1 350.88	1 540.00	10.00%

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			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
E10A24	Damage of HV Cable	R	cost + R27,500.00	Applicable Vat	cost + R25,000.00	Applicable Vat	10.00%
E10A25	Damage of MV Cable	R	cost + R7,188.60	Applicable Vat	cost + R6,535.09	Applicable Vat	10.00%
E10A26	Damage of LV Cable	R	cost + R2,894.74	Applicable Vat	cost + R2,631.58	Applicable Vat	10.00%
E10A27	Damage of Service Connection Cable	R	cost + R723.68	Applicable Vat	cost + R657.89	Applicable Vat	10.00%
E10A28	Working without Way leave	R	3 710.00	4 229.40	3 500.00	3 990.00	6.00%
E10A29	Refundable Wayleave **deposit** for HV cables	R	53 000.00	no vat	50 000.00	no vat	6.00%
E10A30	Refundable Way leave **deposit** for MV cables	R	13 250.00	no vat	12 500.00	no vat	6.00%
E10A31	Refundable Way leave **deposit** for LV cables	R	2 862.00	no vat	2 700.00	no vat	6.00%
E10A32	Cancellation Fee of requested service	R	15% of Service Value	no vat	15% of Service Value	no vat	
E10A33	Erection of Banners, signs & lights	R	1 100.00	1 254.00	1 000.00	1 140.00	10.00%
E12	**CONVERSION OF METERS**						
E12A1	Convert Credit Meter to P/P: SP (no cable work) (based on meter cost + call out X 2 +15%)	R	849.12	968.00	771.93	880.00	10.00%
E12A2	Convert Credit Meter to P/P: 3P (no cable work) (Based on meter cost + call out X 2 +15%)	R	3 087.72	3 520.00	2 807.02	3 200.00	10.00%
E12A3	Convert Credit Three Phase to Singe Phase P/P meter	R	1 035.09	1 180.00	NEW	NEW	
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	781.58	891.00	710.53	810.00	10.00%
E12A5	Convert P/P Single Phase to Three Phase PP (based on tariff E13A6) cost included cable to boundary	R	R7,931.58 + ext fee	Applicable Vat	R7,210.53 + ext fee	Applicable Vat	10.00%
E12A6	Convert P/P Three Phase to Single Phase PP (based on meter cost = call out x 2 = CB = 15%)	R	1 061.40	1 210.00	964.91	1 100.00	10.00%
E12A7	Removal of Meter		492.11	561.00	447.37	510.00	10.00%
E12A8	Repositioning of Meter (excl. cable)	R	492.11	561.00	447.37	510.00	10.00%
E12A9	Repositioning of Meter (incl. cable)	R	1 206.14	1 375.00	1 096.49	1 250.00	10.00%
E13	**SERVICE CONNECTIONS**						
E13A1	Builders connection (plus applicable service connection tariff)	R	636.85	726.00	578.95	660.00	10.00%
E13A2	Upgrade Service Connection up to 60 Amp (Network permitted) contact Electricity Department for approval	R	12 833.34	14 630.00	11 666.67	13 300.00	10.00%
E13A3	Other up grading per Amp	R	376.32	429.00	342.11	390.00	10.00%
E13A4	Single Phase (Credit - 60A) option for Commercial users only	R	4 293.86	4 895.00	3 903.51	4 450.00	10.00%
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted)	R	4 293.86	4 895.00	3 903.51	4 450.00	10.00%
E13A7	Three Phase : (Credit - 60A) Plus Extension fee	R	R7,931.58 + ext fee	Applicable Vat	R7,210.53 + ext fee	Applicable Vat	10.00%
E13A8	Three Phase : (Pre-Paid - 60A) Plus Extension fee	R	R9,166.67 + ext fee	Applicable Vat	R8,333.33 + ext fee	Applicable Vat	10.00%
E13A9	Non Standard : Pre-paid 30 Amp Single phase	R	2 605.26	2 970.00	2 368.42	2 700.00	10.00%
E13A10	Single Phase (Credit 60A- Developer install cable to boundary) option for Commercial users only	R	1 206.14	1 375.00	1 096.49	1 250.00	10.00%
E13A11	Single Phase (Pre-Paid 60A-Developer install cable to boundary) applicable to Domestic users (Network permitted)	R	1 119.29	1 276.00	1 017.54	1 160.00	10.00%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary)	R	R2,460.52 + ext fee	Applicable Vat	R2,236.84 + ext fee	Applicable Vat	10.00%
E13A13	Three Phase (Pre-Paid 60A-Developer install cable to boundary)	R	R2,460.52 + ext fee	Applicable Vat	R2,236.84 + ext fee	Applicable Vat	10.00%

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Tariff Code	Detail		2014/2015		2013/2014		1.060
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	1.082
E13A14	Any other none standard connections		cost + 15% admin	Applicable vat	cost + 15% admin	Applicable vat	
E14	**REMEDIAL ACTION FEE (TAMPERING) (Including damage or bypass of the DSM Hot Water Cylinder Control Unit**						
E14A1	1 st Offence	R	2 937.00	no vat	2 670.00	no vat	10.00%
E14A2	2 nd Offence	R	4 400.00	no vat	4 000.00	no vat	10.00%
E14A3	3 rd Offence		Cost of new Connection plus 50%	Applicable Vat	Cost of new Connection plus 50%	Applicable Vat	
E14A4	Unsafe / Illegal leads (per visit) **plus reconnection fee**	R	1 315.79	1 500.00	NEW	NEW	
E15	**UPGRADING EXTENSION FEES**						
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply excluding Dist. TF	R	1 630.71	1 859.00	1 482.46	1 690.00	10.00%
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	R	2 875.44	3 158.80	2 614.04	2 980.00	10.00%
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF (Domestic)	R	4 086.40	4 658.50	3 714.91	4 235.00	10.00%
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk (Domestic)	R	5 133.34	5 852.00	4 666.67	5 320.00	10.00%
E15A5	Buying/Refund of spare capacity cost/kVA	R	50% of approved installation cost	Applicable VAT	50%	Applicable VAT	
E15A6	Investigation Fee	R	2 942.98	3 355.00	2 675.44	3 050.00	10.00%
E15A7	FACTOR OF 0,36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	R	Factor 0.36	Applicable VAT	Factor 0.36	Applicable VAT	
E16	**BULK SERVICES CONTRIBUTION LEVY (BICL)**						
E16A1	**Sub Division of existing erf**						
E16A1A	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF **PLUS** STANDARD CONNECTION FEES	R	24 966.67	28 462.00	23 333.33	26 600.00	7.00%
E16A2	**New Developments**						
E16A2A	Standard fee per Singel Phase Domestic erf - infrastructure provide by developer (13.8 kVA xE15A2 x.36)	R	14 285.18	16 285.11	9 921.05	11 310.00	43.99%
E16A2B	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (42kVA x E15A2x.36)	R	43 476.65	49 563.38	30 149.12	34 370.00	44.21%
E16A2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	2 797.37	3 189.00	2 614.04	2 980.00	7.01%
E16A2D	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	3 975.44	4 532.00	3 714.91	4 235.00	7.01%
E17	**WHEELING TARIFF**						
E17A1	Firm network situation (network will not be interupted under normal operations	c	17.37	19.80	15.79	18.00	10.00%
E17A2	Non-Firm network situation (Municipal networks may not always be available for transport of energy under normal operation per kWh	c	10.61	12.10	9.65	11.00	10.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
WD	**CONSUMER DEPOSITS**					
WD1A	Domestic - Water	901.00	no vat	850.00	no vat	6.00%
WD1B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD2A	Commercial - Water - Consumption < 40kl	2 067.00	no vat	1 950.00	no vat	6.00%
WE2B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD3A	Commercial - Water - Consumption 40 - 100kl	7 722.00	no vat	7 285.00	no vat	6.00%
WD3B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD4A	Commercial - Water - Consumption 100 kl +	12 137.00	no vat	11 450.00	no vat	6.00%
WD4B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD5A	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat	
WD5B	Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat	
WD6	Indigent - registered	138.00	no vat	130.00	no vat	6.15%
W1	**BASIC CHARGE**					
W1A1	Basic Monthly Charge per erf/unit per month	102.28	116.60	96.49	110.00	6.00%
W1A3	Fixed Infrastructure Basic Charge per erf/unit per month	15.45	17.61	15.45	17.61	0.00%
	See attachment for the amount of RUE's allocated to different household consumers					
W1B	**CONSUMPTION - HOUSEHOLDS**					
	Normal Tariff					
W1B1	0 - 6 kl per kl	3.25	3.71	3.07	3.50	6.00%
W1B2	7 - 18 kl per kl	8.60	9.80	8.11	9.25	6.00%
W1B3	19 - 30 kl per kl	13.95	15.90	13.16	15.00	6.00%
W1B4	31 - 45 kl per kl	21.48	24.48	20.26	23.10	6.00%
W1B5	46 - 60 kl per kl	27.90	31.81	26.32	30.00	6.00%
W1B6	>60kl per kl	37.20	42.40	35.09	40.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1B7	0 - 6 kl per kl	4.23	4.82	3.99	4.55	6.00%
W1B8	7 - 18 kl per kl	11.18	12.74	10.54	12.02	6.00%
W1B9	19 - 30 kl per kl	18.13	20.67	17.11	19.50	6.00%
W1B10	31 - 45 kl per kl	27.92	31.83	26.34	30.03	6.00%
W1B11	46 - 60 kl per kl	36.27	41.35	34.22	39.01	6.00%
W1B12	>60kl per kl	48.35	55.12	45.62	52.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1B13	0 - 6 kl per kl	5.21	5.94	4.91	5.60	6.00%
W1B14	7 - 18 kl per kl	13.75	15.68	12.98	14.79	6.00%
W1B15	19 - 30 kl per kl	22.32	25.43	21.06	23.99	6.00%
W1B16	31 - 45 kl per kl	34.36	39.17	32.42	36.95	6.00%
W1B17	46 - 60 kl per kl	44.64	50.89	42.11	48.01	6.00%
W1B18	>60kl per kl	59.51	67.84	56.14	64.00	6.00%
	Restriction Tariff (level 3 restrictions)					

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1B19	0 - 6 kl per kl	6.51	7.42	6.14	7.00	6.00%
W1B20	7 - 18 kl per kl	17.19	19.60	16.22	18.49	6.00%
W1B21	>18 kl per kl	74.39	84.80	70.18	80.00	6.00%
W1C	**CONSUMPTION - ALL OTHER**					
	Normal Tariff					
W1C1	0 - 18 kl per kl	8.60	9.80	8.11	9.25	6.00%
W1C2	19 - 30 kl per kl	13.95	15.90	13.16	15.00	6.00%
W1C3	31 - 45 kl per kl	21.48	24.48	20.26	23.10	6.00%
W1C4	46 - 60 kl per kl	27.90	31.81	26.32	30.00	6.00%
W1C5	>60 kl per kl	37.20	42.40	35.09	40.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1C6	0 - 18 kl per kl	11.18	12.74	10.54	12.02	6.00%
W1C7	19 - 30 kl per kl	18.13	20.67	17.11	19.50	6.00%
W1C8	31 - 45 kl per kl	27.92	31.83	26.34	30.03	6.00%
W1C9	46 - 60 kl per kl	36.27	41.35	34.22	39.01	6.00%
W1C10	>60 kl per kl	48.35	55.12	45.62	52.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1C11	0 - 18 kl per kl	13.75	15.68	12.98	14.79	6.00%
W1C12	19 - 30 kl per kl	22.32	25.43	21.06	23.99	6.00%
W1C13	31 - 45 kl per kl	34.36	39.17	32.42	36.95	6.00%
W1C14	46 - 60 kl per kl	44.64	50.89	42.11	48.01	6.00%
W1C15	>60 kl per kl	59.51	67.84	56.14	64.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1C16	0 - 10 kl per kl	17.19	19.60	16.22	18.49	6.00%
W1C17	>10 kl per kl	74.39	84.80	70.18	80.00	6.00%
W1D	**OTHER CONSUMERS**					
W1D1	Departmental per Kl	13.95	15.90	13.16	15.00	6.00%
W1D2	Fire Hoses: Basic per Month	130.18	148.40	122.81	140.00	6.00%
W1D3	Bulk usage (Unconnected to networks) per Kl	11.16	12.72	10.53	12.00	6.00%
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09	0.00%
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09	0.00%
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.05	1.13	0.99	1.13	0.00%
W1D7	Contractors water consumption - temporary connection	13.95	15.90	13.16	15.00	6.00%
W1E	**WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)**					
	Normal Tariff					
W1E1	0 - 500kl per kl	13.95	15.90	13.16	15.00	6.00%
W1E2	501 - 1000kl per kl	20.92	23.85	19.74	22.50	6.00%
W1E3	>1000kl per kl	27.90	31.81	26.32	30.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1E4	0 - 300kl per kl	18.13	20.67	17.11	19.50	6.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W1E5	301 - 700kl per kl	27.20	31.01	25.66	29.25	6.00%
W1E6	>700kl per kl	36.27	41.34	34.22	39.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1E7	0 - 250kl per kl	22.32	25.44	21.06	24.00	6.00%
W1E8	251 - 500kl per kl	33.48	38.16	31.58	36.00	6.00%
W1E9	>500kl per kl	44.64	50.88	42.11	48.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1E10	0 - 100kl per kl	27.90	31.81	26.32	30.00	6.00%
W1E11	>100 kl per kl	55.80	63.60	52.64	60.00	6.00%
W1F	**WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days**					
	Normal Tariff					
W1F1	0 - 5800kl per kl	13.03	14.85	11.27	12.85	15.62%
W1F2	> 5800kl per kl	27.90	31.81	26.32	30.00	6.00%
	Restriction Tariff (level 1 restrictions)					
W1F3	0 - 5800kl per kl	16.94	19.31	14.65	16.70	15.62%
W1F4	> 5800kl per kl	36.27	41.34	34.22	39.00	6.00%
	Restriction Tariff (level 2 restrictions)					
W1F5	0 - 5800kl per kl	20.85	23.77	18.03	20.56	15.62%
W1F6	> 5800kl per kl	44.64	50.88	42.11	48.00	6.00%
	Restriction Tariff (level 3 restrictions)					
W1F7	0 - 5 800kl per kl	26.06	29.71	22.54	25.70	15.62%
W1F8	>5 800 kl per kl	55.80	63.60	52.64	60.00	6.00%
W2A	**AVAILABILITY CHARGES**					
W2A1	Overstrand per month	102.28	116.60	96.49	110.00	6.00%
W2A2	Farms connected to water pipe line	102.28	116.60	96.49	110.00	6.00%
W2J	**REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1**					
W2J1	Kl above average - per kl	13.95	15.90	13.16	15.00	6.00%
W3A	**IRRIGATION WATER ("LEI WATER") & RAW WATER**					
W3A1	Use and pump water (80-90 min) per annum Stanford	212.94	242.75	200.88	229.00	6.00%
W3A2	Pearly Beach Small Holdings: Basic	38.11	43.45	35.97	41.00	5.96%
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	2.98	3.40	2.81	3.20	6.00%
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	6.97	7.95	6.58	7.50	6.00%
W3A5	Others	2.98	3.40	2.81	3.20	6.00%
W3A6	Farm 1/722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00	0.00%
W3B	**IRRIGATION WATER - (TREATED EFFLUENT)**					
W3B2	Hermanus Golf Club per month	33 938.59	38 690.00	32 017.54	36 500.00	6.00%

WATER

Tariff Code	Detail	2014/2015		2013/2014		1.06
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
W3B3	All other per kl	1.89	2.15	1.75	2.00	8.00%
W3B4	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no charge	no charge	no charge	
W3B5	Curro Holdings - 250kl free per day as per deed of sale	1.89	2.15	1.75	2.00	8.00%
W4	**SUNDRY CHARGES**					
W4A1	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	657.90	750.00	530.70	605.00	23.97%
W4A2	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable) ***Minimum charge of R500**					
W4A3	Disconnection	297.54	339.20	280.70	320.00	6.00%
W4A4	Reconnection	297.54	339.20	280.70	320.00	6.00%
W4A5	Reconnection After Normal Working Hours	595.08	678.40	561.40	640.00	6.00%
W4A6	Administration fee - recalculation due to no meter access	116.23	132.50	109.65	125.00	6.00%
W4A7	Verification of a Meter Reading	162.72	185.50	153.51	175.00	6.00%
W4A8	Final and Special Readings	148.77	169.60	140.35	160.00	6.00%
W4A9	Call-out Fee - Normal Working Hours	297.54	339.20	280.70	320.00	6.00%
W4A10	Call-out Fee - After Hours	595.08	678.40	561.40	640.00	6.00%
W4A11	Registration of Borehole (Including inspection fee)	223.16	254.40	210.53	240.00	6.00%
W4A12	Repositioning of Meter (excl. pipe)	655.53	747.30	618.42	705.00	6.00%
W4A13	Convert to Water Flow Restrictor Meter	2 134.21	2 433.00	2 013.16	2 295.00	6.01%
W4A14	Temporary Connections - Deposit	5 618.00	no vat	5 300.00	no vat	6.00%
W4A15	Temporary Connection - Usage per kl	10.53	12.00	9.65	11.00	9.12%
W4A16	Damage of Water Meter	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W4A17	Damage of Watermain	Actual cost plus R2,268.40	Applicable vat	Actual cost plus R2,120.00	Applicable vat	7.00%
W4A18	Damage of Service Connection (including water meter)	Actual cost plus R567.10	Applicable vat	Actual cost plus R530.00	Applicable vat	7.00%
W5	**REMEDIAL ACTION FEE (TAMPERING)**					
W5A1	1st Offence	4 982.00	no vat	4 700.00	no vat	6.00%
W5A2	2nd Offence Total disconnection/removal of connection	Total disconnection		Total disconnection		
W6	**CONNECTION FEE**					
W6A1	20 mm Connection Conventional Meter	3 650.00	4 161.00	1 929.83	2 200.00	89.14%
W6A2	20 mm Connection Water Flow Restrictor Meter	4 335.09	4 942.00	NEW	NEW	
W6A3	Other Connections	Actual cost plus 15%	Applicable vat	Actual cost plus 15%	Applicable vat	
W6A4	Connections (Erf Boundary - by Developer)	949.12	1 082.00	894.74	1 020.00	6.08%
W7	**BULK SERVICES DEVELOPMENT FEES**					
	Development Contributions will be determined as set out in the Annexure in respect of Development Contribution Policy					

OVERSTRAND MUNICIPALITY

ANNEXURE TO WATER TARIFFS

ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS – 2014/15

Clinics – Out patients	□ 1 RUE
Flats	□ 1 RUE per unit
Guest houses and B & B's	□ 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	□ Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework.
Old Age Homes, Hostels & Boarding School	□ 1 RUE per 7 Beds
Retirement Villages, Hospital & Hospice	□ 1 RUE per 1 residential unit □ 1 RUE per 7 Beds
Single Residential erven	□ 1 RUE
Townhouse and group developments	□ 1 RUE per unit

RUE = Residential Unit Equivalent

OVERSTRAND MUNICIPALITY
TARIFFS FOR RESORTS FOR THE 2014/15 FINANCIAL YEAR

All tariffs include Value Added Tax (VAT) – Where applicable

A deposit of 50% of the total amount payable is applicable to secure the booking. On cancellation of the booking, an admin fee of 15% will deducted from the deposit. On cancellation of the booking less than 14 days prior to the commencement of the holiday, the deposit **will not** be paid back.

PALMIET AND KLEINMOND CARAVAN PARKS				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R33.00 per stand per day.
- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of 2 units = R25.00 per unit per day.
- Day visitors for campers up to a maximum of four (4)* = R47.00 per person per day and R35.00 for a vehicle.
  (*) Special arrangements must be made with the Camp Manager to allow day visitors
- Children under two (2) years are free and children under twelve (12) years at half price.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - ❖ may get a discount of 50% on the stands;
  - ❖ Qualify for a reduced tariff of R2,211.00 for a period of 30 days.
- Gate Card / Key Deposit R120.00 per set (refundable).
- Long Term rental R700.00 per month plus R160.00 per month for Electricity.

KLEINMOND : FRANK ROBB HUT	
Camping per person (max 10 persons) per day	R77.00

ONRUS CARAVAN PARK				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R330.00	R253.00	R231.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R182.00	R154.00	R143.00

- Plus: All stands with the availability of electricity = R33.00 per stand per day.
- The above tariffs include for up to four (4) persons and 1 vehicle with one trailer or caravan or small boat per day.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat to maximum of two (2) units = R25.00 per unit per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Daily Functions (pre-arrangement) = R121 per day
- Long Term Rental = R 11,235.00 pa **plus the following**:
  - Pergola with covering = R 94.00 pm (R1,128.00 pa)
  - Water tap = R 20.00 pm (R240.00 pa)
  - Structure for storing purposes = R 20.00 pm (R240.00 pa)
  - Permanent fireplace structure = R 20.00 pm (R240.00 pa)
  - Electricity per stand = R 68.00 pm (R816.00 pa)
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers (Pensioners to be defined as persons sixty (60) years and older)
  - ❖ may get a discount of 50% on the stands;
  - ❖ qualify for a reduced tariff of R2,211.00 for a period of 30 days
- Full 30 day Rental = R2,700.00
- Gate Card / Key Deposit R120.00 per set (refundable).

OVERSTRAND MUNICIPALITY
TARIFFS FOR RESORTS FOR THE 2014/15 FINANCIAL YEAR

GANSBAAI CARAVAN PARK				
SEASON	**PERIOD**	**A Stands**	**B Stands**	**C Stands**
		Per Day	**Per Day**	**Per Day**
High Season	1 December – 31 January & Easter Weekend	R220.00	R182.00	R154.00
Low Season	1 February – 30 November (Excluding Easter Weekend)	R165.00	R154.00	R143.00

- The above tariffs include for up to four (4) persons and one vehicle with one trailer or caravan or small boat.
- Additional persons up to a maximum of two (2)* = R47.00 per person per day.
- Additional vehicle or small trailer or small boat = R33.00 per unit per day.
- Day visitors for campers up to a maximum of four (4) = R35.00 per person per day.
- Children under two (2) years are free and children under twelve (12) years at half price.
- Long Term Rental = R 6,490.00 pa.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older.

HAWSTON DAY CAMPING SITE		
ITEM	**Low Season 01 February – 30 November (Excluding Easter Weekend)**	**High Season 01 December – 31 January & Easter Weekend**
	Per Day	**Per Day**
Camping Sites	R 83.00	R 154.00
Picnic Fees : Per Vehicle (excluding buses > 20 seats) + persons	R 11.00	R 11.00
: Per Bus > 20 seats + persons	R 132.00	R 132.00
Adults (per person)	R 11.00	R 11.00
Children (per child < 12)	R 3.00	R 4.00

- The above tariffs include for up to six 6 persons and 1 vehicle with one trailer or caravan or small boat.
- Additional vehicle or small trailer or small boat = R33.00 per unit per day.
- Events – partial or whole day camp site, per day or portion of the day = R440.00 per day.
- Events – community based – partial or whole day camp site, per day or portion of the day = R110.00.
- Low Season: Pensioners, Caravan Clubs more than 10 caravans and Camper groups (not caravans) more than 20 campers may get a discount of 50% on the stands. (Pensioners to be defined as persons sixty (60) years and older).

NOTE:

All tariffs include Value Added Tax (VAT) – Where applicable

1. The developer will be responsible for the payment of development contributions in accordance with the relevant legislation and as determined by Council. The calculation methodology as listed below will generally be used as a guideline to determine the development contributions. The Council may deviate from this guideline in accordance with the relevant legislation particularly where large developments with significant impact on services are being processed. The developer may be required by the council to provide bulk services in lieu or in part of the payment of development contributions. The Council may revise the Development Contribution Policy at any stage.

2. Gap Housing: Municipal land made available by the Municipality for the purposes of housing specific with reference to the GAP market for households with an income between R 3501 – R 18 000 per month.
   - Gap Housing 50% of Standard

3. Government Subsidised Housing: Low Cost Housing Projects funded by the Department of Human Settlements.
   - Government Subsidised Housing 0% Development Contribution

4. High Density Units: High and Medium density Residential Developments for example flats, town houses, retirement units, etc.
   - High Density Units up to 2 bed rooms (R/Unit) 50% of Standard
   - High Density Units more than 2 bed rooms (R/Unit) 75% of Standard

5. Second Dwellings
   - No development contribution will be applicable as long as the normal standard water, electricity and sewerage connections for single units are used. If upgraded connections are required, the normal development contributions listed in paragraph 6 below will be applicable.

6. Tariffs

6.1 Water: Standard Fee per equivalent unit R23,444.00

6.2 Electricity:

E16	Second Dwelling	R	VAT EXCL	VAT INCL
E16A1	**Sub Division of Existing Erf**			
E16A1A	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = P/ERF PLUS Standard Connection Fees	R	24,966.67	28,462.00
E16A2	**New Developments**			
E16A2A	Standard fee per Single Phase Domestic erf – Infrastructure provide by Developer (13.8 kVA xE15A2 x.36)	R	14,285.18	16,285.11
E16A2B	Standard fee per Three Phase Domestic erf – Infrastructure provide by Developer (42kVA x E15A2x.36)	R	43,476.65	49,563.38
E16A2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	R	2,797.37	3.189.00
E16A2D	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	R	3,975.44	4,532.00

6.3 Sewerage:
   - SE5A Standard Fee per Equivalent Unit R18,816.00

6.4 Roads and Storm Water:

- RDST1 Standard Fee per Equivalent Unit R6,132.00

6.5 Off-Grid Development/Units:
As per signed agreement as recommended by the
Director: Infrastructure and Planning and approval by the Municipal Manager.

7. **OFF-GRID DEVELOPMENT/UNITS**:

As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager.

8. All above prices **INCLUDES** Value Added Tax (V.A.T.)

9. The following evaluation/investigation levies are payable over and above the bulk service levies:

WATER & SANITATION LEVIES EVALUATION FOR DEVELOPMENT APPLICATIONS

No. of equivalent units	Cost per water service	Cost per Sanitation service
1 - 4	No Charge	No Charge
5 - 10	R 6,370.00	R 6,752.00
11 – 25	R10,670.00	R 11,311.00
26 - 50	R 14,970.00	R 15,869.00
51 - 100	R 17,040.00	R 18,063.00
101 – 250	R 19,098.00	R 20,244.00
251 – 500	R 22,369.00	R 23,712.00
501 – 2000	R 25,125.00	R 26,633.00
2000 – 5000	R 30 110.00	R 31,917.00
> 5001	R 34,410.00	R 36,475.00

ANNEXURE D

BASKET OF TARIFFS

OVERSTRAND MUNICIPALITY

MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2014/2015

High Consumption with credit elect meter			Year 2013/2014	Year 2014/2015	**Increase/Decrease** Amount	%
Valuation		R 3 500 000				
Rates			828.00	952.20	124.20	15.00
Sewer	**SE7A1+SE8A**		423.72	450.24	26.52	6.26
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Credit Meter		1500 kWh	2 107.23	2 275.75	168.52	8.00
Water		50 kl	805.65	854.08	48.43	6.01
VAT			490.16	525.27	35.12	7.16
TOTAL			4 819.27	5 229.42	410.15	**8.51**
HPP if applicable			*82.80*	*95.22*	*12.42*	*15.00*

High Consumption with prepaid elect meter			2013/2014	2014/2015	Amount	%
Valuation		R 3 500 000				
Rates			828.00	952.20	124.20	15.00
Sewer	**SE7A1+SE8A**		423.72	450.24	26.52	6.26
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Prepaid Meter		1500 kWh	2 015.61	2 176.66	161.05	7.99
Water		50 kl	805.65	854.08	48.43	6.01
VAT			477.33	511.40	34.07	7.14
TOTAL			4 714.82	5 116.45	401.63	**8.52**
HPP if applicable			*82.80*	*95.22*	*12.42*	*15.00*

Medium Consumption with credit elect meter			2013/2014	2014/2015	Amount	%
Valuation		R 2 500 000				
Rates			588.00	676.20	88.20	15.00
Sewer	**SE7A1+SE8A**		254.85	270.69	15.85	6.22
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Credit Meter		800 kWh	1 093.42	1 178.85	85.43	7.81
Water		25 kl	304.35	322.63	18.28	6.01
VAT			254.40	272.17	17.77	6.98
TOTAL			2 659.52	2 892.41	232.89	**8.76**
HPP if applicable			*58.80*	*67.62*	*8.82*	*15.00*

Medium Consumption with prepaid elect meter			2013/2014	2014/2015	Amount	%
Valuation		R 2 500 000				
Rates			588.00	676.20	88.20	15.00
Sewer	**SE7A1+SE8A**		254.85	270.69	15.85	6.22
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Prepaid Meter		800 kWh	1 041.21	1 122.32	81.11	7.79
Water		25 kl	304.35	322.63	18.28	6.01
VAT			247.09	264.25	17.16	6.95
TOTAL			2 600.00	2 827.97	227.96	**8.77**
HPP if applicable			*58.80*	*67.62*	*8.82*	*15.00*

Low Consumption with credit meter			2013/2014	2014/2015	Amount	%
Valuation		R 1 000 000				
Rates			228.00	262.20	34.20	15.00
Sewer	**SE7A1+SE8A**		187.30	198.87	11.58	6.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Credit Meter		600 kWh	803.76	865.45	61.69	7.67
Water		15 kl	187.90	199.18	11.28	6.00
VAT			188.09	200.95	12.87	6.84
TOTAL			1 759.55	1 898.53	138.98	**7.90**
HPP if applicable			*22.80*	*26.22*	*3.42*	*15.00*

Low Consumption with prepaid elect meter			2013/2014	2014/2015	Amount	%
Valuation		R 1 000 000				
Rates			228.00	262.20	34.20	15.00
Sewer	**SE7A1+SE8A**		187.30	198.87	11.58	6.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		122.81	130.18	7.37	6.00
Electricity Prepaid Meter		600 kWh	762.81	821.08	58.27	7.64
Water		15 kl	187.90	199.18	11.28	6.00
VAT			182.35	194.74	12.39	6.79
TOTAL			1 712.87	1 847.94	135.08	**7.89**
HPP if applicable			*22.80*	*26.22*	*3.42*	*15.00*

Low Consumption with credit meter			2013/2014	2014/2015	Amount	%
Valuation		R 1 000 000				
Rates			228.00	262.20	34.20	15.00
Sewer	**SE7A1+SE8A**		187.30	198.87	11.58	6.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		35.09	130.18	95.09	270.98
Electricity Credit Meter		350 kWh	503.36	540.42	37.06	7.36
Water		15 kl	187.90	199.18	11.28	6.00
VAT			133.75	155.45	21.70	16.22
TOTAL			1 317.09	1 528.00	210.90	**16.01**
HPP if applicable			*22.80*	*26.22*	*3.42*	*15.00*

Low Consumption with prepaid elect meter			2013/2014	2014/2015	Amount	%
Valuation		R 1 000 000				
Rates			228.00	262.20	34.20	15.00
Sewer	**SE7A1+SE8A**		187.30	198.87	11.58	6.18
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		35.09	130.18	95.09	270.98
Electricity Prepaid Meter		350 kWh	479.74	514.80	35.06	7.31
Water		15 kl	187.90	199.18	11.28	6.00
VAT			130.44	151.86	21.42	16.42
TOTAL			1 290.16	1 498.79	208.63	**16.17**
HPP if applicable			*22.80*	*26.22*	*3.42*	*15.00*

Sub-Economic Consumption			2013/2014	2014/2015	Amount	%
	Valuation	R 100 000				
Rates			12.00	13.80	1.80	15.00
Sewer	**SE7A1**		27.02	28.73	1.71	6.32
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Electricity Prepaid Meter	350	kWh	479.74	514.80	35.06	7.31
Water	10	kl	32.44	34.40	1.96	6.04
VAT			81.33	86.75	5.42	6.67
TOTAL			674.22	720.18	45.96	**6.82**

Life-Line Consumption (ONE PART)			2013/2014	2014/2015	Amount	%
	Valuation	R 50 000				
Rates			0.00	0.00	0.00	0.00
Sewer	**SE7A1**		13.51	14.36	0.85	6.32
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Electricity Pre-paid	300	kWh	245.79	263.70	17.91	7.29
Water	8	kl	16.22	17.20	0.98	6.04
VAT			44.41	47.17	2.76	6.22
TOTAL			361.63	384.14	22.51	**6.22**

Conservancy Tanks

If tariff SE7 is not applicable		2013/2014	2014/2015	Amount	%
Smaller than 6kl		395.61	419.30	23.69	5.99
Greater than 6kl		395.61	419.30	23.69	5.99
Outside urban area Plus	per km	11.40	12.28	0.88	7.72
Plus	Per hour	236.84	251.75	14.91	6.30
After hours					
Smaller than 6kl		791.23	838.60	47.37	5.99
Greater than 6kl		791.23	838.60	47.37	5.99

Sub-Economic Consumption			2013/2014	2014/2015	Amount	%
	Valuation	R 50 000				
Rates			0.00	0.00	0.00	0.00
Sewer	**SE7A1**		0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	**1X Per Week**		0.00	0.00	0.00	0.00
Electricity Prepaid Meter	150	kWh	122.90	132.96	10.07	8.19
Water	6	kl	0.00	0.00	0.00	0.00
VAT			23.04	24.45	1.41	6.12
TOTAL			187.64	199.11	11.47	**6.12**

MONTHLY BASKET OF TARIFFS - BUSINESS 2014/2015

Bussiness - Large (Time of Use)			2013/2014	2014/2015	Amount	%
Valuation		R 35 000 000				
Rates			15 895.83	18 287.50	2 391.67	15.05
Sewer	**SE7D1+SE8A**	30	6 574.20	6 981.84	407.64	6.20
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	Bins 2X Per Week	30	7 368.60	7 810.72	442.12	6.00
Electricity Credit Meter	108751 + 436kVA		74 470.98	80 530.05	6 059.07	8.14
Water	460 kl		15 135.09	16 045.18	910.09	6.01
VAT			14 502.68	15 597.33	1 094.65	7.55
TOTAL			133 989.08	145 294.31	11 305.23	**8.44**
HPP if applicable			*1 589.58*	*1 828.75*	*239.17*	*15.05*

Bussiness - Medium (Three Phase)			2013/2014	2014/2015	Amount	%
Valuation		R 3 200 000				
Rates			1 453.33	1 672.00	218.67	15.05
Sewer	**SE7D1+SE8A**	1	433.37	460.50	27.13	6.26
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week	3	368.43	390.54	22.11	6.00
Electricity Credit Meter	7000 kWh		9 003.67	9 733.12	729.45	8.10
Water	40 kl		602.99	639.28	36.29	6.02
VAT			1 463.02	1 577.12	114.10	7.80
TOTAL			13 366.52	14 514.25	1 147.74	**8.59**
HPP if applicable			*145.33*	*167.20*	*21.87*	*15.05*

Bussiness - Small (Three Phase)			2013/2014	2014/2015	Amount	%
Valuation		R 3 200 000				
Rates			1 453.33	1 672.00	218.67	15.05
Sewer	**SE7D1+SE8A**	1	433.37	460.50	27.13	6.26
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week	2	245.62	260.36	14.74	6.00
Electricity Credit Meter	4000 kWh		5 310.37	5 737.12	426.75	8.04
Water	40 kl		602.99	639.28	36.29	6.02
VAT			928.77	999.45	70.69	7.61
TOTAL			9 016.15	9 810.41	794.26	**8.81**
HPP if applicable			*145.33*	*167.20*	*21.87*	*15.05*

Bussiness - Small (Three Phase)			2013/2014	2014/2015	Amount	%
Valuation		R 3 200 000				
Rates			1 453.33	1 672.00	218.67	15.05
Sewer	**SE7D1+SE8A**	1	433.37	460.50	27.13	6.26
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
Refuse	1X Per Week	2	245.62	260.36	14.74	6.00
Electricity Credit Meter	1000 kWh		1 617.07	1 741.12	124.05	7.67
Water	40 kl		602.99	639.28	36.29	6.02
VAT			411.71	440.01	28.31	6.88
TOTAL			4 805.79	5 254.97	449.18	**9.35**
HPP if applicable			*145.33*	*167.20*	*21.87*	*15.05*

MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2014/2015

Residential Valuation High			2013/2014	2014/2015	Amount	%
	Valuation	R 780 000				
Rates			360.83	360.83	0.00	0.00
Sewer can connect	Availability		130.70	109.65	-21.05	-16.11
Refuse	Availability		61.40	65.08	3.68	5.99
Electricity	Availability		192.98	204.56	11.58	6.00
Water	Availability		96.49	102.28	5.79	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	73.26	0.00	0.00
TOTAL			957.35	957.35	0.00	**0.00**
HPP if applicable			*36.08*	*36.08*	*0.00*	*0.00*

Residential Valuation Average			2013/2014	2014/2015	Amount	%
	Valuation	R 250 000				
Rates			110.84	110.84	0.00	0.00
Sewer can connect	Availability		130.70	109.65	-21.05	-16.11
Refuse	Availability		61.40	65.08	3.68	5.99
Electricity	Availability		192.98	204.56	11.58	6.00
Water	Availability		96.49	102.28	5.79	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	73.26	0.00	0.00
TOTAL			707.37	707.37	0.00	**0.00**
HPP if applicable			*11.08*	*11.08*	*0.00*	*0.00*

Residential Valuation Lower			2013/2014	2014/2015	Amount	%
	Valuation	R 110 000				
Rates			44.81	44.81	0.00	0.00
Sewer can connect	Availability		130.70	109.65	-21.05	-16.11
Refuse	Availability		61.40	65.08	3.68	5.99
Electricity	Availability		192.98	204.56	11.58	6.00
Water	Availability		96.49	102.28	5.79	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	73.26	0.00	0.00
TOTAL			641.34	641.34	0.00	**0.00**

Residential Valuation Low			2013/2014	2014/2015	Amount	%
	Valuation	R 15 000				
Rates			0.00	0.00	0.00	0.00
Sewer can connect	Availability		130.70	109.65	-21.05	-16.11
Refuse	Availability		61.40	65.08	3.68	5.99
Electricity	Availability		192.98	204.56	11.58	6.00
Water	Availability		96.49	102.28	5.79	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	73.26	0.00	0.00
TOTAL			596.53	596.53	0.00	**0.00**

Commercial Valuation Average			2013/2014	2014/2015	Amount	%
	Valuation	R 250 000				
Rates			117.92	117.92	0.00	0.00
Sewer can connect	Availability		130.70	109.65	-21.05	-16.11
Refuse	Availability		61.40	65.08	3.68	5.99
Electricity	Availability		192.98	204.56	11.58	6.00
Water	Availability		96.49	102.28	5.79	6.00
Infrastructure Basic Charge Water, Electricity & Sewer			41.70	41.70	0.00	0.00
VAT			73.26	73.26	0.00	0.00
TOTAL			714.44	714.44	0.00	**0.00**
HPP if applicable			*11.79*	*11.79*	*0.00*	*0.00*

ANNEXURE E

CAPITAL BUDGET AND WARD PROJECTS

CAPITAL BUDGET 2014/15-2016/17 MTREF

						2014/15 BUDGET			2015/16 BUDGET			2016/17 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
			300 - INFORMATION & COMMUNICATION TECHNOLOGY			**850 000**	**1 500 000**	**2 350 000**						
Overstrand	Overstrand	Overstrand	Additional Disc Storage for DR Site (Onrus)	C Johnson	Surplus	100 000		100 000						
Overstrand	Overstrand	Overstrand	RF Network: Hawston Mast	C Johnson	Surplus	250 000		250 000						
Overstrand	Overstrand	Overstrand	RF Network: Gansbaai Region Mast	C Johnson	Surplus	250 000		250 000						
Overstrand	Overstrand	Overstrand	Integrated asset management and maintenance system	J Van Asperen	FMG/MSIG		1 500 000	1 500 000						
Overstrand	Overstrand	Overstrand	RF Network: Kleinmond Regional Mast	C Johnson	Surplus	250 000		250 000						
			300 - Property Services			**200 000**	**1 034 583**	**1 234 583**		**1 000 000**	**1 000 000**		**4 000 000**	**4 000 000**
Hermanus	Hawston	Ward 08	Extension of Thusong Centre	D Hendriks	MIG					1 000 000	1 000 000		4 000 000	4 000 000
Overstrand	Overstrand	Overstrand	Building of additional court for municipal matters	D Arrison	Surplus	200 000		200 000						
Hermanus	Hermanus	Ward 03	MIG PMU Building	D Hendriks	MIG		1 034 583	1 034 583						
			400 - LIBRARIES				**2 000 000**	**2 000 000**						
Kleinmond	Kleinmond	Ward 09	Kleinmond Library upgrade	R Williams	Prov-Library Gr		2 000 000	2 000 000						
			400 - WARD SPECIFIC PROJECTS			**3 634 500**	**0**	**3 634 500**						
Kleinmond	Kleinmond	Ward 09,10	Ward Specific Projects - Kleinmond	D Lakey	Surplus- **WSP**	599 500		599 500						
Hermanus	Hermanus	Ward 03,04,05	Ward Specific Projects - Hermanus	D Kearney	Surplus- **WSP**	2 190 000		2 190 000						
Gansbaai	Gansbaai	Ward 01,02,11	Ward Specific Projects - Gansbaai	F Myburgh	Surplus- **WSP**	845 000		845 000						
			500 - SPORT & RECREATION				**3 090 163**	**3 090 163**		**2 939 163**	**2 939 163**		**6 800 000**	**6 800 000**
Kleinmond	Kleinmond	Ward 09	Overhills:Kleinmond Soccer Field	D Hendriks	MIG		2 939 163	2 939 163		939 163	939 163			
Hermanus	Zwelihle	Ward 12	Turf Soccerfield	D Hendriks	MIG					2 000 000	2 000 000		2 800 000	2 800 000
Gansbaai	Gansbaai	Ward 01,02	Gansbaai Sports Centre (Spaces for sport)	F Myburgh	Public Contr.		51 000	51 000						
Overstrand	Overstrand	Overstrand	Overstrand sport facilities development project	R Williams	Sport & Rec.		100 000	100 000						
Overstrand	Overstrand	Overstrand	Sport Facilities	D Hendriks	MIG								4 000 000	4 000 000
			700 - HOUSING			**4 670 571**	**7 809 829**	**12 480 400**		**15 900 000**	**15 900 000**		**7 000 000**	**7 000 000**
Hermanus	Hermanus	Ward 04	Hermanus Swartdamweg Institutional -320 SITES	B Louw	PROV-H		6 785 821	6 785 821		6 800 000	6 800 000			
Hermanus	Zwelihle	Ward 06	Zwelihle Garden site -77 SITES	B Louw	PROV-H					1 400 000	1 400 000			
Hermanus	Zwelihle	Ward 06	Zwelihle Mandela Square -180 SITES	B Louw	PROV-H					2 600 000	2 600 000			
Hermanus	Zwelihle	Ward 06	Zwelihle project -Transit camp/Asizani	B Louw	PROV-H								2 000 000	2 000 000
Hermanus	Mount Pleasant	Ward 04	Mount Pleasant IRDP	B Louw	PROV-H		474 008	474 008		4 100 000	4 100 000			
Kleinmond	Overhills	Ward 10	Kleinmond Overhills	B Louw	PROV-H		250 000	250 000		600 000	600 000		2 000 000	2 000 000
Stanford	Stanford	Ward 11	Stanford IRDP	B Louw	PROV-H		300 000	300 000		400 000	400 000		1 000 000	1 000 000
Hermanus	Zwelihle	Ward 05,06	Electrification of housing projects	K d Plessis	Surplus-Dev Co	4 670 571		4 670 571						
Hermanus	Hawston	Ward 08	Hawston project - IRDP	B Louw	PROV-H								2 000 000	2 000 000
			1000 - ROADS				**5 400 254**	**5 400 254**		**4 900 000**	**4 900 000**		**4 000 000**	**4 000 000**
Hermanus	Zwelihle	Ward 12	Upgrade and rehabilitate roads	D Hendriks	MIG		4 650 254	4 650 254						
Hermanus	Zwelihle	Ward 05	Upgrade of Landa Road (Mandela Square)	D Hendriks	MIG		450 000	450 000						
Hermanus	Zwelihle	Ward 06	Rehabilitation of existing pave road (LIC)	D Hendriks	MIG					1 400 000	1 400 000		2 000 000	2 000 000
Hermanus	Mount Pleasant	Ward 04	Rehabilitate roads and upgrade stormwater	D Hendriks	MIG		300 000	300 000		3 500 000	3 500 000		1 500 000	1 500 000
Hermanus	Mount Pleasant	Ward 04	Rehabilitate roads - Angelier Street	D Hendriks	MIG								500 000	500 000
Hermanus	Mount Pleasant	Ward 04	Provision of sidewalks	D Hendriks	MIG									
			1200 - ELECTRICITY			**15 000 000**	**2 000 000**	**17 000 000**	**16 500 000**	**2 000 000**	**18 500 000**	**16 500 000**	**2 000 000**	**18 500 000**
Gansbaai	Franskraal	Ward 01	Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade	D Maree	EL5/6	4 900 000		4 900 000	2 600 000		2 600 000			
Gansbaai	Gansbaai	Ward 02	Gansbaai: Minisub and MV/LV upgrade	D Maree	EL5/6/7	1 000 000		1 000 000	2 700 000		2 700 000	4 000 000		4 000 000
Gansbaai	Blompark	Ward 02	Blompark: Low Voltage upgrade	D Maree	EL5/6	1 400 000		1 400 000	1 000 000		1 000 000			
Stanford	Stanford	Ward 11	Stanford: MV upgrade	D Maree	EL5/6	600 000		600 000	1 200 000		1 200 000			
Kleinmond	Overhills	Ward 10	Electrification of low cost housing areas **(INEP)**	K d Plessis	INEP		2 000 000	2 000 000		2 000 000	2 000 000		2 000 000	2 000 000
Hermanus	Hermanus	Ward 03	Hermanus: LV Upgrade/Replacement	K d Plessis	EL5/6/7	2 100 000		2 100 000	6 000 000		6 000 000	4 000 000		4 000 000
Kleinmond	Kleinmond	Ward 09	Kleinmond: MV & LV network upgrade	K d Plessis	EL5/6/7	2 500 000		2 500 000	2 000 000		2 000 000	3 000 000		3 000 000
Hermanus	Sandbaai	Ward 07	Sandbaai: MV and LV Upgrade/Replacement	K d Plessis	EL7							500 000		500 000
Hermanus	Hermanus	Ward 03	Hermanus: Main Str to Royal 2nd supply feeder	K d Plessis	EL5	1 500 000		1 500 000						
Hermanus	Hawston	Ward 08	Hawston: LV Upgrade/Replacement	K d Plessis	EL5/6/7	1 000 000		1 000 000	1 000 000		1 000 000	2 000 000		2 000 000
Hermanus	Hawston	Ward 08	Hawston: See View feeder upgrade	K d Plessis	EL7							300 000		300 000
Hermanus	Mount Pleasant	Ward 04	Sandbaai-Mount Pleasant overhead line replacement	K d Plessis	EL7							300 000		300 000
Hermanus	Zwelihle	Ward 05	Zwelihle to Beach overhead line replacement	K d Plessis	EL7							400 000		400 000
Hermanus	Fisherhaven	Ward 08	Meer en See underground cable replacement	K d Plessis	EL7							600 000		600 000
Hermanus	Mount Pleasant	Ward 04	Mount Pleasant Bundle replacement	K d Plessis	EL7							1 400 000		1 400 000

CAPITAL BUDGET 2014/15-2016/17 MTREF

						2014/15 BUDGET			2015/16 BUDGET			2016/17 BUDGET		
Area	**Local Area**	**Ward**	**Project Description**	**Project Manager**	**Funding Source**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**	**COUNCIL FUNDED**	**EXTERNAL (GRANTS)**	**TOTAL**
			1300 - WATER			**11 800 000**	**1 000 000**	**12 800 000**	**21 500 000**	**5 094 015**	**26 594 015**	**21 500 000**	**4 988 000**	**26 488 000**
Overstrand	Overstrand	Overstrand	Replacement of Overstrand water pipes	H Blignaut	EL5/6/7-ACIP	11 800 000	1 000 000	12 800 000	12 500 000		12 500 000	11 000 000		11 000 000
Stanford	Stanford	Ward 11	Upgrading of "Die Oog" pump station building	D Crafford	EL7							500 000		500 000
Hermanus	Sandbaai	Ward 07	New Bulk Water Reservoir -Sandbaai	H Blignaut	EL7							5 500 000		5 500 000
Gansbaai	Kleinbaai	Ward 01	Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines	H Blignaut	EL6/7				7 000 000		7 000 000	2 500 000		2 500 000
Hermanus	Hermanus	Ward 03	Upgrading of Gateway,Camphill and Volmoed Well Fields	H Blignaut	EL7							2 000 000		2 000 000
Kleinmond	Kleinmond	Ward 09	Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir	H Blignaut	EL6				2 000 000		2 000 000			
Hermanus	Mount Pleasant	Ward 04	New 1 Ml/s Reservoir OHW.B31	D Hendriks	MIG					2 800 000	2 800 000			
Hermanus	Mount Pleasant	Ward 04	200 mm Ø Bulk watermain OHW8.1	D Hendriks	MIG					1 000 000	1 000 000			
Hermanus	Mount Pleasant	Ward 04	250 mm Ø Bulk watermain OHW.B14	D Hendriks	MIG					520 000	520 000			
Hermanus	Mount Pleasant	Ward 04	160 mm Ø Link watermain OHW8.3	D Hendriks	MIG					284 015	284 015			
Hermanus	Zwelihle	Ward 05	160 mm Ø link watermain OHW9.9	D Hendriks	MIG					490 000	490 000			
Hermanus	Zwelihle	Ward 12	160 mm Ø link watermain OHW9.10	D Hendriks	MIG								200 000	200 000
Hermanus	Hawston	Ward 08	Hawston: Bulk water	D Hendriks	MIG								2 000 000	2 000 000
Hermanus	Hawston	Ward 08	Hawston: Bulk water upgrade for housing project	D Hendriks	MIG								1 000 000	1 000 000
Hermanus	Hawston	Ward 08	New 500 mm -Water pipe line	D Hendriks	MIG								1 788 000	1 788 000
			1400 - SEWERAGE			**6 500 000**	**7 000 000**	**13 500 000**	**7 000 000**	**5 653 822**	**12 653 822**	**7 000 000**	**1 600 000**	**8 600 000**
Overstrand	Overstrand	Overstrand	Upgrading of pumpstations	H Blignaut	EL5/7	1 000 000		1 000 000				2 000 000		2 000 000
Stanford	Stanford	Ward 11	Stanford - Sewer network extension	H Blignaut	EL5/6	2 000 000		2 000 000	2 000 000		2 000 000	0		0
Kleinmond	Kleinmond	Ward 09	Kleinmond - Sewer network extension	H Blignaut	EL6/7				2 000 000		2 000 000	2 000 000		2 000 000
Kleinmond	Kleinmond	Ward 09	Gansbaai - CBD Sewer network extension	H Blignaut	EL6/7				3 000 000		3 000 000	3 000 000		3 000 000
Hermanus	Onrus	Ward 13	Upgrading of Kidbrooke Pipeline	H Blignaut	EL5	2 900 000		2 900 000						
Stanford	Stanford	Ward 11	WWTW Upgrade - Stanford	H Blignaut	MIG								1 000 000	1 000 000
Gansbaai	Eluxolweni	Ward 11	Eluxolweni - New bulk sewerage for housing project	D Hendriks	EL5-MIG	600 000	7 000 000	7 600 000		783 822	783 822			
Hermanus	Zwelihle	Ward 05	Upgrade existing sewerage pumpstation OHS19.2	D Hendriks	MIG					750 000	750 000			
Hermanus	Zwelihle	Ward 05	Bulk Sewerage rising main 355 mm Ø OHS19.1	D Hendriks	MIG					1 620 000	1 620 000			
Hermanus	Zwelihle	Ward 12	Bulk Sewerage main 200 mm Ø OHS13.3	D Hendriks	MIG					1 000 000	1 000 000			
Hermanus	Zwelihle	Ward 12	Bulk Sewerage Outfall Line 525 mm Ø OHS13.2	D Hendriks	MIG					1 500 000	1 500 000		600 000	600 000
			1400- STORMWATER				**800 000**	**800 000**		**2 000 000**	**2 000 000**		**1 000 000**	**1 000 000**
Gansbaai	Masakhane	Ward 01	Provision of stormwater system	D Hendriks	MIG					1 000 000	1 000 000			
Hermanus	Zwelihle	Ward 05	Upgrade Stormwater - Internal & External	D Hendriks	MIG		800 000	800 000		1 000 000	1 000 000		1 000 000	1 000 000
Hermanus	Zwelihle	Ward 05	Implementation of Stormwater Master Plan - (2)	D Hendriks	MIG									
			1500- WASTE MANAGEMENT			**6 700 000**	**3 500 000**	**10 200 000**						
Overstrand	Overstrand	Overstrand	Karwyderskraal : New Waste Cell	J van Taak	EL5/MIG	6 700 000	3 500 000	10 200 000						
			300 - VEHICLES			**3 800 000**		**3 800 000**	**1 000 000**		**1 000 000**	**3 000 000**		**3 000 000**
Overstrand	Overstrand	Overstrand	Vehicles	R Williams	Surplus	3 800 000		3 800 000	1 000 000		1 000 000	3 000 000		3 000 000
			300 - MINOR ASSETS			**1 274 846**	**1 233 088**	**2 507 934**	**675 000**		**675 000**	**730 000**		**730 000**
Overstrand	Overstrand	Overstrand	Minor Assets	TMT	Surplus	1 024 846		1 024 846	675 000		675 000	730 000		730 000
Overstrand	Overstrand	Overstrand	Electrification in informal areas	K d Plessis	Solar rebate		1 083 088	1 083 088						
Overstrand	Overstrand	Overstrand	Equipment for additonal court	D Arrison	Surplus	250 000		250 000						
Overstrand	Overstrand	Overstrand	Minor Assets: Library Grant	R Williams	Library Gr		150 000	150 000						
			TOTAL			**54 429 917**	**36 367 917**	**90 797 834**	**46 675 000**	**39 487 000**	**86 162 000**	**48 730 000**	**31 388 000**	**80 118 000**
			VEHICLES - HP COSTS FOR 7 VEHICLES (5 YEARS)		HP1	6 725 000		6 725 000						
			TIME & ATTENDANCE DEVICES		HP2	197 700		197 700						
			GRAND TOTAL			**61 352 617**	**36 367 917**	**97 720 534**	**46 675 000**	**39 487 000**	**86 162 000**	**48 730 000**	**31 388 000**	**80 118 000**

CAPITAL BUDGET 2014/15-2016/17 MTREF

Area	Local Area	Ward	Project Description	Project Manager	Funding Source	2014/15 BUDGET COUNCIL FUNDED	2014/15 BUDGET EXTERNAL (GRANTS)	2014/15 BUDGET TOTAL	2015/16 BUDGET COUNCIL FUNDED	2015/16 BUDGET EXTERNAL (GRANTS)	2015/16 BUDGET TOTAL	2016/17 BUDGET COUNCIL FUNDED	2016/17 BUDGET EXTERNAL (GRANTS)	2016/17 BUDGET TOTAL
			FUNDING:											
					EXTERNAL LOAN 5/6/7 (GENERAL CAPITAL)	40 000 000		40 000 000	45 000 000		45 000 000	45 000 000		45 000 000
					SURPLUS CASH	6 124 846		6 124 846	1 675 000		1 675 000	3 730 000		3 730 000
					SURPLUS -WSP	3 634 500		3 634 500						
					SURPLUS -DEVELOPERS CONTRIBUTION	4 670 571		4 670 571						
					PUBLIC CONTRIBUTIONS-(Spaces for sport)		51 000	51 000						
					PUBLIC CONTRIBUTIONS-(Solar rebate)		1 083 088	1 083 088						
					ACIP		1 000 000	1 000 000						
					MIG		20 674 000	20 674 000		21 587 000	21 587 000		22 388 000	22 388 000
					FMG		566 000	566 000						
					MSIG		934 000	934 000						
					INEP		2 000 000	2 000 000		2 000 000	2 000 000		2 000 000	2 000 000
					PROV-DEV OF SPORT & REC		100 000	100 000						
					PROV-HOUSING		7 809 829	7 809 829		15 900 000	15 900 000		7 000 000	7 000 000
					PROV-LIBRARY		2 150 000	2 150 000						
					TIME & ATTENDANCE DEVICES : FINANCE LEASES	197 700		197 700						
					VEHICLES : FINANCE LEASES	6 725 000		6 725 000						
			GRAND TOTAL			**61 352 617**	**36 367 917**	**97 720 534**	**46 675 000**	**39 487 000**	**86 162 000**	**48 730 000**	**31 388 000**	**80 118 000**

2014/2015 - R 400 000 WARD PROJECTS

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Gansbaai	**Masakhane**	**1**	Construction of an additional créche (ECD)	300 000	F MYBURGH	**CAPEX**
Gansbaai	**Franskraal**	**1**	Franskraal WTW - New chemical store /office accommodation	100 000	J NEL	**CAPEX**
				400 000		
Gansbaai	**Blompark**	**2**	New parking area - Academia	75 000	F MYBURGH	**CAPEX**
Gansbaai	**Blompark**	**2**	New bus shelters - Gansbaai Academia	25 000	F MYBURGH	**CAPEX**
Gansbaai	**De Kelders**	**2**	New kerbing in Main Road	100 000	J NEL	**CAPEX**
Gansbaai	**Gansbaai**	**2**	Extension of existing cemetery wall	50 000	F MYBURGH	**OPEX**
Gansbaai	**Gansbaai**	**2**	Tarring of existing gravel parking area - Caravan park	50 000	J NEL	**OPEX**
Gansbaai	**Gansbaai**	**2**	Upgrading of informal business area	50 000	F MYBURGH	**OPEX**
Gansbaai	**Blompark**	**2**	Paving in front of Oak Grove	20 000	F MYBURGH	**OPEX**
Gansbaai	**Blompark**	**2**	Verandah at Blompark sportsgrounds	30 000	F MYBURGH	**OPEX**
				400 000		
Hermanus	**Hermanus**	**3**	Sun Dials x 2	20 000	DON KEARNEY	**OPEX**
Hermanus	**Hermanus**	**3**	Maintenance of cliff path	100 000	PETER BURGER	**OPEX**
Hermanus	**Hermanus**	**3**	Existing play park above Bientangs (under swings)	20 000	PETER BURGER	**OPEX**
Hermanus	**Hermanus**	**3**	Recreation of existing Grotto facility	100 000	PETER BURGER	**OPEX**
Hermanus	**Hermanus**	**3**	Maintenance of existing parking area - Protea Road	10 000	PETER BURGER	**OPEX**
Hermanus	**Hermanus**	**3**	Plinths for sculpture	20 000	DON KEARNEY	**OPEX**
Hermanus	**Hermanus**	**3**	Maintenance of sidewalks	100 000	PETER BURGER	**OPEX**
Hermanus	**Hermanus**	**3**	Signage for town	30 000	DON KEARNEY	**OPEX**
				400 000		
Hermanus	**Mount Pleasant**	**4**	Tarring of new sidewalks - Angelier Street	90 000	PETER BURGER	**CAPEX**
Hermanus	**Westcliff**	**4**	Speed calming measures -Westcliff	90 000	PETER BURGER	**OPEX**
Hermanus	**Hemel & Aarde Valley**	**4**	Information board,Hemel & Aarde Valley	20 000	PETER BURGER	**OPEX**
Hermanus	**Mount Pleasant**	**4**	Moffat Hall - sound system and kitchen appliances	70 000	BULI PLAATJIES	**OPEX**
Hermanus	**Mount Pleasant**	**4**	Moffat Hall - sound system and kitchen appliances	130 000	BULI PLAATJIES	**CAPEX**
				400 000		
Hermanus	**Zwelihle**	**5**	New stormwater -Landa Street	400 000	PETER BURGER	**CAPEX**
				400 000		
Hermanus	**Zwelihle**	**6**	Electrification of Ziphunzana	400 000	KOOS DU PLESSIS	**CAPEX**
				400 000		
Hermanus	**Sandbaai**	**7**	Tarring of Roads	400 000	PETER BURGER	**CAPEX**
				400 000		
Hermanus	**Fisherhaven**	**8**	Complete paving at Slipway	75 000	PETER BURGER	**CAPEX**
Hermanus	**Fisherhaven**	**8**	Tarring of gravel roads	125 000	PETER BURGER	**CAPEX**
Hermanus	**Hawston**	**8**	Tarring of new sidewalks	100 000	PETER BURGER	**CAPEX**
Hermanus	**Hawston**	**8**	Upgrading of Hawston Sports Complex	100 000	DON KEARNEY	**CAPEX**
				400 000		

2014/2015 - R 400 000 WARD PROJECTS

Town	Local Area	Ward	Project Description	TOTAL	PROJECT MANAGER	
Kleinmond	**Kleinmond**	**9**	Stormwater pipes maintenance	90 000	A REICHERT	**OPEX**
Kleinmond	**Kleinmond**	**9**	Paved sidewalks & foot bridges to CBD Area for Residents of Heuningkloof	100 000	D VAN RHODIE	**CAPEX**
Kleinmond	**Kleinmond**	**9**	Extention of paving of sidewalk (Phase 2/3) - Beach Road	100 000	D VAN RHODIE	**CAPEX**
Kleinmond	**Kleinmond**	**9**	Paving of new sidewalk School Street Proteadorp	80 000	D VAN RHODIE	**CAPEX**
Kleinmond	**Kleinmond**	**9**	Speed Humps - Beach Road	30 000	D VAN RHODIE	**OPEX**
				400 000		
Pringle Bay	**Pringle Bay**	**10**	Fire station	224 500	D VAN RHODIE	**CAPEX**
Kleinmond	**Proteadorp**	**10**	New Bus Shelters 2 x(Opposite Town Hall & Siyabulela)	40 000	D LAKEY	**CAPEX**
Kleinmond	**Overhills**	**10**	Maintenance of taxi Rank (Shelter) - Overhills	40 000	D LAKEY	**OPEX**
Kleinmond	**Palmiet**	**10**	New sidewalk John Daneel & Harbour Rd - Palmiet	55 000	D VAN RHODIE	**CAPEX**
Rooi Els	**Rooi Els**	**10**	Maintenance of boardwalks	5 500	D LAKEY	**OPEX**
Rooi Els	**Rooi Els**	**10**	Additional Speed Humps	35 000	D VAN RHODIE	**OPEX**
				400 000		
Stanford	**Stanford**	**11**	(**EIA**)- Pedestrian Bridge (Bezuidenhout Street next to Willem Appel Dam)	50 000	P FERREIRA	**OPEX**
Stanford	**Stanford**	**11**	**(EIA)** - Tourism Facilities (Klein river Encroachment)	50 000	P FERREIRA	**OPEX**
Gansbaai	**Baardskeerdersbos**	**11**	Streetnames	25 000	J NEL	**OPEX**
Gansbaai	**Eluxolweni**	**11**	Construction of new library building	70 000	F MYBURGH	**CAPEX**
Gansbaai	**Eluxolweni**	**11**	New structures for market place for informal trading (Erf 1971/2)	10 000	F MYBURGH	**CAPEX**
Stanford	**Stanford**	**11**	New pavement in Dreyer Street (Phase II)	145 000	J NEL	**CAPEX**
Stanford	**Pearly Beach**	**11**	Maintenance of boardwalks on beaches	30 000	F MYBURGH	**OPEX**
Stanford	**Buffeljachts**	**11**	New bus shelter	20 000	F MYBURGH	**CAPEX**
				400 000		
Hermanus	**Zwelihle**	**12**	Sportground - Upgrading of existing wall	150 000	PETER BURGER	**OPEX**
Hermanus	**Zwelihle**	**12**	Pavilion - Mini Tennis courts	150 000	BULI PLAATJIES	**CAPEX**
Hermanus	**Zwelihle**	**12**	New mini drop off station	10 000	PETER BURGER	**CAPEX**
Hermanus	**Zwelihle**	**12**	Community Hall - New wall	90 000	PETER BURGER	**CAPEX**
				400 000		
Hermanus	**Onrus/Vermont**	**13**	Coastal path upgrade	150 000	DON KEARNEY	**OPEX**
Hermanus	**Onrus/Vermont**	**13**	Maintenance of DeWet hall	80 000	GERRIT COETZEE	**OPEX**
Hermanus	**Onrus/Vermont**	**13**	Maintenance of sidewalk -Lynx Avenue	50 000	PETER BURGER	**OPEX**
Hermanus	**Onrus/Vermont**	**13**	New streetlights	20 000	PETER BURGER	**CAPEX**
Hermanus	**Onrus/Vermont**	**13**	New stormwater -Onrus	100 000	PETER BURGER	**CAPEX**
				400 000		
			GRAND TOTAL	**5 200 000**		

ANNEXURE F

NT BUDGET CIRCULARS & FINANCIAL RATIOS AND NORMS

NATIONAL TREASURY

MFMA Circular No. 70

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2014/15 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2014/15 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars.

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Key focus areas for the 2014/15 budget process

The Medium Term Budget Policy Statement 2013

The MTBPS notes that over the past four and a half years government has steered the country through the worst global recession in 70 years and that the South African economy is projected to grow by 2.1 per cent in 2013 while the GDP growth is expected to reach 3.5 per cent by 2016.

Specific strategies and interventions required by local government in achieving economic stability and higher levels of growth as outlined in the MTBPS include, among others:

Expanding public sector investment in infrastructure through ensuring the budgets and MTREF's acknowledge that capital programmes needs a balanced funding structure addressing not only backlogs in services but also investment in new infrastructure as well as renewing current infrastructure.

Sustainable job creation remains a national priority and municipalities must ensure that in drafting their 2014/15 budgets and MTREFs, they continue to explore opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme. However, municipalities should not carelessly employ more people without any reference and consideration to the level of staffing required delivering effective services. Remuneration increases associated with bargaining council decisions, and affordability must be considered over the medium term. Municipalities should focus on maximizing job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Expanded Public Works Programme; and
- Implementing internship programmes to provide young people with on-the-job training.

Municipalities must act as catalysts for economic growth through creating an enabling environment for investment and other activities that foster job creation. It is important for municipalities to pay particular attention to:

- Joint planning by a municipality, its community and business sectors. This means that all economic forces in the local situation have to be brought on board to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive;
- Ensuring the timely delivery of their capital programmes and to review all by-laws and development approval processes with a view to removing any regulatory bottlenecks to investment and job creation; and
- Act as a catalyst for local economic development by appropriately structuring capital programmes to address backlog eradication, asset renewal and development of new infrastructure; this will require carefully formulating the funding mix to include grants, borrowing and own funding (internally generated funding).

Securing inclusive growth through investing in strategic infrastructure programmes such as electricity generation. An excellent example is the partnership between the public and the private sectors on the Renewable Energy Independent Power Producer Programme.

Implementing the National Development Plan through expanding electricity, transport, communications capacity and promoting industrial competitiveness. Municipalities need to support special economic zones, broadening rural development and strengthening public service delivery while combating waste and corruption.

Building an efficient developmental state through increasing the levels of delivery by ensuring improvements to policy formulation, procurement, management systems, developing mechanisms for sharing skilled personnel in critical delivery areas and minimising waste.

Furthermore the NDP recognises capable municipalities as the core of a capable state. National Treasury will continue to closely monitor and engage – and if need be intervene – in those municipalities that fail to live up to the standards of public service established in the Constitution.

In supporting municipalities over the MTEF period, a strong focus on economic development is proposed by:

- Ensuring that value for money and long term impact / sustainability are key considerations;
- Having an economic development / growth support strategy in place but not just as an end in itself, but rather as an opportunity to understand and respond to the underlying economic dynamics, networks and dynamic systems of interactions of a much wider range of stakeholders that shape the economic fabric of each locality;
- Pursue initiatives that:
  - Stimulate growth required to create jobs and to reduce poverty;
  - Providing a competitive local business environment;
  - Encouraging and supporting networking and collaboration between businesses and public/private and community partnerships;
  - Facilitating workforce development and education;
  - Focusing inward investment to support cluster growth; and
  - Supporting quality of life improvements.

Considering that public expenditure growth has remained well within the limits set by government over the past two years, further efforts to find savings eliminate waste and reprioritise spending toward key social and development objectives must be pursued by all government spheres.

The notion of 'doing more with less' can further be supported by municipal approaches that ensure:

- Spatial strategies align public spending and unlock public and private investment;
- Focus on catalytic interventions that also promote inclusion and desegregation; and
- Provide clear signals to private sector.

Consequently, municipal revenues and cash flows are expected to remain under pressure in 2014/15 and *so* ***municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts***.

Municipalities should carefully consider affordability of tariff increases; especially as it relates to domestic consumers while considering the level of services versus the associated cost. Municipalities should also pay particular attention to managing revenue effectively and carefully evaluate all spending decisions. ***Municipalities must implement cost containing measures as approved by Cabinet to eliminate non-priority spending***.

Local government conditional grants and additional allocations

The division of available funds to Local Government has increased to R91.9 billion or 8.4 per cent for 2014/15. This is expected to increase to R106.7 billion by 2016/17. The *Medium Term Budget Policy Statement 2013* indicates that over the 2013 MTEF, transfers to local government grow by R7.1 billion, of which R3.9 billion is added to the local government equitable share and R2.6 billion to local government conditional grant framework.

Municipalities MUST ensure that their tabled budgets reflect the conditional grant allocations set out in the 2014 Division of Revenue Bill.

Municipalities are advised to use the indicative numbers for 2014/15 in the 2013 Division of Revenue Act to compile their capital budgets. This document is available on National Treasury's website and can be assessed at:

http://www.treasury.gov.za/legislation/acts/2013/Default.aspx

The Medium Term Budget Policy Statement 2013 included several proposed changes to local government allocations for the 2014 MTEF period aimed at shifting funds towards areas that can support economic growth. The proposed spending framework approved by Cabinet takes account of the need to control spending growth over the medium term while increasing the efficiency of existing allocations to improve public services.

The ***Integrated City Development Grant*** which was introduced in 2013/14 provides the eight metropolitan municipalities with incentives to improve spatial development considerations in their planning. An amount of R356 million will be added to this grant over the MTEF to encourage the evolution of more compact and efficient cities.

The availability of water is a prerequisite for the construction of human settlements and for economic activity. The ***Regional Bulk Infrastructure Grant*** (an indirect grant to local government) receives an additional R934 million over the MTEF to accelerate bulk water projects that will support broader economic development.

To fund these priorities, moderate reductions have been proposed on a number of grants, including the Municipal Infrastructure Grant, the Urban Settlements Development Grant, the Expanded Public Works Programme Integrated Grant for Municipalities, the Infrastructure Skills Development Grant and the Energy-Efficiency Demand-Side Management Grant.

Government intends to devolve responsibility for the ***housing function*** from provincial to local government by 2014 in six metropolitan areas namely, Johannesburg, Cape Town, eThekwini Ekurhuleni, Tshwane, and Nelson Mandela Bay. A new conditional grant will be introduced in 2014/15 to fund capacity for human settlements in these cities. The grant of R300 million per year over the MTEF is funded through a reprioritisation from the provincial Human Settlements Development Grant. Once the housing function is assigned to a municipality, section 16 of the Division of Revenue Act provides that the Human Settlements Development Grant infrastructure allocations for their area are transferred directly to cities from the national department resulting in increased allocations to local government over the MTEF.

A ***new local government equitable share formula*** has been phased in from 2013/14. It provides funding for a package of free basic services for the 59 per cent of households with monthly incomes below the value of two state old age grants. Although no additional changes to the equitable share envelope are proposed, the local government equitable share will still grow at an average annual rate of 9.2 per cent over the MTEF.

Changes to the 2013 Division of Revenue Amendment Bill

The Minister of Finance also tabled the 2013 Division of Revenue Amendment Bill on 23 October 2013. The details of the changes to municipal allocations and the reasons for these changes are discussed in the explanatory memorandum to the Bill, available on the National Treasury's website at:

http://www.treasury.gov.za/documents/national%20budget/2013/review/Annexure%20W1.pdf

The 2013 Division of Revenue Amendment Bill includes rollovers of funds allocated in 2012/13 but not transferred to municipalities by national departments and funding for recovery from damage caused by widespread flooding in Limpopo, Mpumalanga, KwaZulu-Natal, the Eastern Cape and the Western Cape in late 2012 and early 2013. The R118 million allocated in 2013/14 to repair or replace public infrastructure damaged in the floods is made available through the Municipal Disaster Recovery Grant.

The explanatory memorandum to the 2013 Division of Revenue Amendment Bill also sets out technical corrections to the conditional grant frameworks for the Public Transport Network Operations Grant, Rural Households Infrastructure Grant and the Municipal Water Infrastructure Grant that will be gazetted in December 2013, together with the framework for the new Municipal Disaster Recovery Grant.

Review of infrastructure grants

The 2013 Budget announced that a "thorough review of the local government conditional grant system" would be "coordinated by the National Treasury, using a collaborative process that will include national departments, SALGA and the FFC, and extensive consultation with municipalities." This Review of Local Government Infrastructure Grants is now underway and will continue until recommendations for reform are made in October 2014.

Formal municipal engagements are provisionally scheduled for January/February 2014 (first round) and April/May 2014 (second round). Questionnaires will be distributed electronically. The terms of reference for the review can be viewed on the National Treasury website at:

http://mfma.treasury.gov.za/Media_Releases/ReviewOfLGInfrastructureGrants/Documents/Terms%20of%20Reference%20-%20Review%20of%20LG%20Infrastructure%20Grants.pdf

In addition, any direct inputs can be sent via email to: greg.gardner@treasury.gov.za.

Built environment performance plan (BEPP)

From the 2014/15 financial year the Built Environment Performance Plan (BEPP) will be a requirement of the Integrated City Development Grant (ICDG). Only metropolitan municipalities are required to prepare their 2014/15 BEPP during the 2013/14 financial year and must submit to National Treasury the draft 2014/15 BEPP by the 31 January 2014 and the final Council approved BEPP by the 31 May 2014 as part of the package of plans submitted with the approved Budget.

The objective of the ICDG is to support the development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities and the BEPP is intended to improve the performance of the built environment over the long term. This will be achieved by adopting a spatial targeting approach at a sub-metropolitan level identifying Integration Zones within which infrastructure grants can be co-ordinated for greater impact and for attracting private sector investment. The information contained in the BEPP will reflect the planning, programmes and outcomes for all major built environment grants allocated to the metropolitan municipality including the ICDG, Urban Settlements Development Grant (USDG), Public Transport Infrastructure Grant (PTIG), Neighbourhood Development Partnership Grant (NDPG) and Integrated National Electrification Programme Grant (INEP).

Strengthening procurement to obtain value for money and fighting against corruption

A large share of the national budget is spent to build infrastructure, and to procure goods and services. This expenditure contributes to production and jobs throughout the economy. Government must ensure that its procurement processes are prudent, deliver value for money and help to improve service delivery.

The Office of the Chief Procurement Officer, created in April 2013, will minimise waste and corruption, and ensure that government derives maximum social and economic benefits from every rand spent. Over the next six months, the office will pilot reference pricing. The following steps are being taken as part of developing the pilot programme:

- Fair values of targeted products have been determined;
- Guidelines are being developed; and
- Discussions with key spending departments and agencies are under way to prepare for implementation.

The Office of the Chief Procurement Officer will be working in collaboration with the South African Revenue Service, the Accountant-General and Auditor-General of South Africa to decrease corruption and minimise waste.

Municipalities are again advised that the Supply Chain Compliance Unit will also be focusing on municipal procurement processes. Municipalities are encouraged to introduce greater transparency in their supply chain processes by publishing SCM process outcomes for each bid on their websites. Consequently, municipalities can expect requests for information relating to their tender committees and processes, as well as specific tenders and contracts as specified in detail in MFMA Circular No. 66.

Local government budget and financial management reforms

Regulation of a 'Standard Chart of Accounts' (SCOA) for local government

The Minister of Finance published the draft Municipal Regulations on the Standard Chart of Accounts (SCOA) on 3 September 2013 for public comment; the comment period expires on 2 December 2013. As part of the comment process the National Treasury undertook an extensive consultation and awareness campaign; including 44 district engagements incorporating all municipalities.

It is anticipated that the regulatory processes will be finalised in January 2014 and municipalities will be given a two year preparation window prior to full implementation which is 1 July 2016. In this regard, municipalities will be required to be SCOA compliant during the budget and MTREF compilation process leading up to the 2016/17 municipal financial year. Considering the legislated budgeting and planning framework for local government, this implies that municipalities should be in a position to capture their respective detail budgets proposal in the regulated SCOA format by the latest January 2016.

Although it is not compulsory for municipalities to compile their 2014/15 budgets and MTREF's in the SCOA format for local government, it will facilitate implementation if municipalities start familiarising themselves with the detail content of the SCOA for local government from a budgeting and planning perspective. This process will not only provide municipalities with a conceptual understanding of the SCOA but also provide municipalities with an understanding of alignment to their own chart (general ledger) and where anomalies might exist.

The draft Municipal Regulations on the Standard Chart of Accounts, Project Summary Document and Detailed Classification Framework of the 7 Segments (SCOA Version 4) can be accessed at:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccounts/Pages/default.aspx

A comprehensive change management and capacity building process will be launched with the promulgation of the SCOA Regulation to oversee and assist stakeholders, vendors and municipalities with the transition to the SCOA classification framework. National Treasury will regularly communicate with all municipalities on progress during the process of finalising the SCOA for local government.

Financial applications (systems) and the impact of SCOA

As part of the SCOA project, National Treasury commissioned a parallel project to investigate financial applications (systems) in use by municipalities and compatibility of current financial applications (systems) in amongst others, accommodating the proposed segments of the SCOA for local government. The draft SCOA Regulations also propose the specification of minimum business process and system requirements for municipalities and municipal entities as well as the implementation of processes within integrated transaction processing.

In preparation for SCOA implementation, the National Treasury has completed extensive engagements with each of the system vendors as well as the identified pilot municipalities. These engagements have been structured to assess the readiness of the respective system vendors and identified municipalities to pilot the SCOA classification framework. It is envisaged that the outcome of the pilot process will provide clarity as it relates to the specification of minimum business processes and system requirements for municipalities.

Considering the pending Municipal SCOA Regulation the National Treasury issued MFMA Circular No.57 – Municipal Financial Systems and Processes which can be accessed at:

http://mfma.treasury.gov.za/Circulars/Pages/default.aspx

Municipalities are strongly advised not to proceed with any configuration or upgrades to their current core financial systems owing to the pending requirements of the SCOA Regulations. With the promulgation of the Regulation (envisaged for January 2014) a follow-up circular to MFMA Circular No.57 will be issued providing further guidance to municipalities.

Management accounting and tariff setting

National Treasury commissioned a project dealing specifically with management accounting (costing) and its impact on tariff setting.

It has increasingly became apparent that municipalities are not recovering the full cost associated with trading services i.e. electricity, water, waste management and waste water management and this position is further exacerbated by the fact that no consideration is given to overhead costing and its influence on the total cost of providing the service. This in turn impacts on tariff setting and in many instances municipalities are cross subsidising a trading service from property rates revenue; a totally defective approach to pricing and tariff setting of municipal trading services.

The research work has informed the design principles for a costing segment within the SCOA for local government. This will provide municipalities with not only pure accounting functionality as part of SCOA but also the key dimension of management accounting. As a result of the additional reforms undertaken since their introduction, National Treasury

envisages consequential amendments to the Municipal Budget and Reporting Regulations going forward.

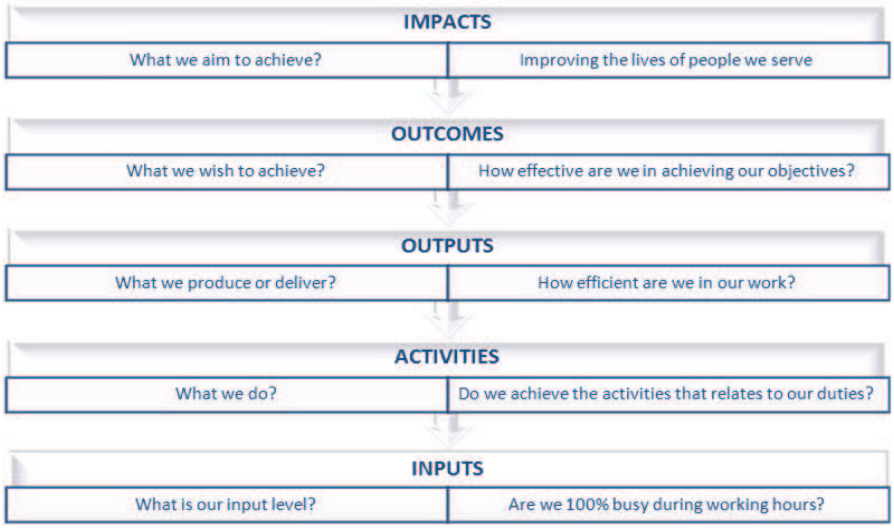
Performance management in local government

Financial performance measurement is undertaken by the National Treasury through the section 71 and 72 in-year reporting framework. Although significant strides have been made with the in-year financial reporting framework for local government, the perfect system of performance measurement, especially as it relates to non-financial performance, is still not in place. The general perception is that local government does not deliver its constitutional obligations to the extent that the public expects. There can be more than one reason for this perception and it is the responsibility of government as a whole to address the core problems and manage them to the benefit of all.

Although various systems of gathering information in government are in place, a number of gaps in information sharing still exist. The following are some examples:

- Weak alignment of strategic and spatial plans, budgeting, implementation and operationalization / maintenance between the IDP/Budget/SDBIP/AFS/Annual Report;
- A coordinated public and private sector investment strategy that ensures that property development is aligned with plans;
- Aligned strategic spatial and sector plans that focus on spatial transformation through the co-ordination and implementation of a catalytic pipeline of projects, i.e. land development, housing, transport and infrastructure investments (and other interventions);
- Service delivery and budget implementation plan is not used as the basis of performance reporting;
- In-year reporting and control is not regularly undertaken, undermining oversight;
- In many cases non-performance has no consequences. This is further exacerbated by a lack of performance monitoring;
- Where performance systems have been established, they rarely ensure accountability of officials and political office bearers; and
- Performance measurement is limited to high level indicators which don't necessary relate back to service delivery imperatives.

The following figure provides a framework for managing programme performance information by National Treasury for national and provincial departments.



The objectives of the framework are to address specific measurable performances; in addition this benchmark can be used against peers in the same industry. It is further recommended that the performance measurement should be classified and divided between the following objectives:

- Strategic issues;
- Governance issues;
- Financial Issues; and
- Non-Financial issues.

The development and implementation of a performance management framework is critical if local government is to achieve its overall objectives. As of the 2012/13 municipal financial year the National Treasury has initiated the incorporation of non-financial performance information as part of the section 71 and 72 in-year reporting framework for metropolitan municipalities. The performance indicators are currently required from the eight metropolitan municipalities and nineteen secondary cities. It will be required from all municipalities from the 2014/15 financial year.

Council oversight over the budget process

A municipal council is elected to direct and exercise oversight of how a municipality raises revenue, plans the use of funds through its budget and spends the funds in accordance with the council approved budget. In terms of section 4(2)(a) of the Municipal Systems Act, 2000 the council has a duty **"to use the resources of the municipality in the best interests of the local community"**. This duty is extended to individual councillors through the *Code of Conduct for Councillors*, which states:

2. **General conduct of councillors**. – A councillor must –
   (a) perform the functions of office in good faith, honestly and in a transparent manner; and
   (b) at all times act in the best interests of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

Over the last few years, escalating unauthorised, irregular and fruitless and wasteful expenditures has been observed by the Auditor-General in its annual reports on local government audit outcomes. Many municipalities have not dealt effectively with instances of unauthorised, irregular and fruitless and wasteful expenditure. Such matters must be dealt with decisively by council to address fraud and corruption.

When municipal funds are used for inappropriate purposes it is not in the best interests of the municipality or the local community. Those funds should have been used to deliver services to communities.

Therefore, each council has a duty to put in place policies and processes to:

(a) **Prevent** unauthorised, irregular and fruitless and wasteful expenditure;
(b) **Identify and investigate** unauthorised, irregular and fruitless and wasteful expenditure; and
(c) **Respond** appropriately, and in accordance with the law, to confirmed instances of unauthorised, irregular and fruitless and wasteful expenditure.

As part of the 2014/15 budget process, municipalities are strongly advised to ensure that the necessary policies and processes are institutionalized to proactively curb prohibited expenditure, poor policy implementation and planning. This requires decisive response by all councilors and municipal officials.

Municipal budget and benchmark engagements and timeframes for tabling MTREF's

National Treasury has institutionalised two formal annual engagements with the 17 non-delegated municipalities, namely the Mid-year Budget and Performance Assessment Review and the Municipal Budget and Benchmark Engagement. Most Provincial Treasuries have or are in the process of replicating similar engagements with the delegated municipalities.

The Municipal Budget and Benchmark Engagements are intended to provide a platform by which the tabled budgets are independently analysed and assessed by National Treasury and the respective provincial treasuries. These formal engagements conclude with findings and recommendations being supplied to the respective municipalities in a formal report which must be considered by the budget steering committee prior to the finalisation of the budget to be tabled in council for consideration and approval to the end of May.

Although the 17 non-delegated municipalities have welcomed these engagements and are of the opinion that it strengthens the overall municipal budgeting process, concern has been raised over the scheduling of the engagements. Engagements were historically scheduled in the middle of April and subsequently municipalities found it difficult to incorporate key findings and recommendations into their final budgets in time for consideration and approval by the municipal council.

Municipalities were advised to consider tabling their budgets earlier to enable processing of comments before tabling the final budget for approval. Although some municipalities still wait until the end of March to table their respective budgets before the municipal council, they should consider tabling of the 2014/15 budgets in the ***last week of February or, first week of March 2014***. The request for early tabling will have the following advantages:

- Provide for a lead-time for municipalities to incorporate the findings and recommendations of the engagements with the National Treasury and respective provincial treasuries on the 2014/15 budgets and MTREF's into their final budgets and MTREF's prior to tabling for consideration and approval by the municipal council;
- Provide a longer interval for the National Energy Regulator of South Africa (NERSA) to consider the proposed electricity tariff structures within their regulatory processes prior to adoption by the municipality; early tabling will enable municipalities to incorporate any comments and recommendations received by NERSA prior to finalisation of the 2014/15 budgets and MTREF's for consideration and approval (further guidance around tariff setting and the NERSA process is supplied in the section of this Circular dealing with revising of rates, tariff and other charges); and
- Provide more time for public participation as required by the MFMA; an area where municipalities are generally weak and needs specific attention for improvement.

In order to inform the benchmark exercise performed by the National Treasury and the relevant Provincial Treasuries, municipalities are advised to submit their tabled budget figures on the budget reform returns to lgdatabase@treasury.gov.za in support of the funding tests and other reports available to all users of the Local Government Database and Reporting System.

Headline inflation forecasts

Municipalities must take the following inflation forecasts into consideration when preparing their 2014/15 budgets and MTREF. Again this information will be updated in a further Budget Circular to be issued after the tabling of the National Budget.

Fiscal year	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2015 Forecast
CPI Inflation	5.7%	5.9%	5.6%	5.4%	5.4%

Source: Medium Term Budget Policy Statement 2013

Revising rates, tariffs and other charges

Operating Revenue

Section 18 of the Municipal Finance Management Act, 2003 which deals with the funding of expenditure, states as follows:

(1) "An annual budget may only be funded from –

(a) Realistically anticipated revenue to be collected from the approved sources of revenue;
(b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
(c) Borrowed funds, but only for the capital budget referred to in section 17(2).

(2) Revenue projections in the budget must be realistic, taking into account –

(a) projected revenue for the current year based on collection levels to date; and
(b) actual revenue collected in previous years."

Although some improvement was observed with the funding adequacy of the 2013/14 MTREF of the 17 non-delegated municipalities during the Municipal Budget and Benchmark Engagements, municipalities still continue to table unfunded budgets. Various factors contribute to unfunded budgets such as overambitious revenue projections as part of the operating statement of financial performance. In addition, municipalities tend to overstate their collection rates and artificially inflate their cash flow position on the budgeted cash flow statement. This typically leads to cash and liquidity challenges and limited implementation of the budget as planned. At the onset of the budget preparation, if the collection rate is not accurately projected then the consequence is less cash in the bank to support spending priorities.

Municipalities are therefore required to realistically provide for revenue as part of the operating statement of financial performance and capital programme. In this regard municipalities must ensure that:

- The operating and capital expenditure is in line with the requirements of section 18 of the MFMA; and
- The municipality is required to implement initiatives that would contribute to the sustainability of the municipality during the financial year. This requires the implementation of the budget as planned both on the operating statement of financial performance and cash flow budget.

In assisting municipalities in managing the overall revenue value chain and ensuring budget implementation as planned the National Treasury issued MFMA Circular No. 64: Revenue Management. This Circular provides a guideline for the management of the entire revenue value chain which can be accessed at:

http://mfma.treasury.gov.za/Circulars/Pages/default.aspx

It is critical that all components of the revenue value chain work efficiently and in collaboration with each other. The functionality of the different components of the value chain is paramount to the success of the collections and hence cash in the bank.

In terms of section 64 of the MFMA on Revenue Management, the municipal manager with the institutional and technical support of the chief financial officer and senior management is required to create and continuously enhance and strengthen the policy imperatives, procedures and processes to achieve the required minimum rate and standard on revenue collection and debt management.

The mayor and the municipal council must implement and manage its oversight function to demonstrate their direct involvement by studying the monthly revenue management reports and utilize the MFMA System of Delegations to hold the municipal manager/accounting officer directly accountable for the work output, results and performance.

National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason ***municipalities must justify in their budget documentation all increases in excess of the 6.0 per cent*** upper boundary of the South African Reserve Bank's inflation target in the budget narratives.

In our endeavour to significantly improve revenue management at municipalities, the National Treasury has commenced with its Revenue Management Project. It is essential that all municipalities take advantage of the Project that would provide the support necessary to achieve the right outcomes on revenue collection and its management.

NERSA's process to approve electricity tariffs

Municipalities will submit tariff increase applications from November 2013 aligned with the requirements of section 43 of the MFMA and subsequently NERSA will endeavour to finalise and complete all municipal tariff applications by 15 March 2014.

In this regard municipalities are reminded to submit all outstanding D-forms to NERSA as a matter of urgency as the deadline for submission was 30 October 2013. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms. It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs does not disrupt the process of compiling municipal budgets or compromise community consultations on the budget. It is for this reason that section 43 of the MFMA reads:

> 43 (1) If a national or provincial organ of state in terms of a power contained in any national or provincial legislations determines the upper limits of a municipal tax or tariff, such determination takes effect for municipalities on a date specified in the determination.
>
> (2) Unless the Minister on good grounds approves otherwise, the date specified in a determination referred to in subsection (1) may -

(a) if the determination was promulgated on or before 15 March in a year, not be a date before 1 July in that year; or
(b) if the determination was promulgated after 15 March in a year, not be a date before 1 July in the next year.

Municipalities applying for an increase that is above the guideline will have to justify their increases to NERSA and the decision will be based on the following requirements:

- a full analysis of additional funds requested needs to be presented to NERSA as part of the motivation for the above-guideline increase (the municipality must give a detailed revenue analysis where it indicates the revenue when using the approved guideline percentage increase and add the revenue and list of items, i.e. repairs and maintenance, where the extra funds will be allocated);
- the approved funds must be ring-fenced to ensure that it is strictly utilised for the identified projects;
- municipalities must report to NERSA on a six-monthly basis on how the additional funds are utilised; and
- funds not utilised for the purpose for which they were approved will be claimed back in the following financial year.

Eskom bulk tariff increases

Municipalities are advised to structure their 2014/15 electricity tariffs based on the approved **7.39 per cent** NERSA guideline tariff increase and provide for an **8.06 per cent** increase in the cost of bulk purchases for the tabled 2014/15 budgets and MTREF. Any changes to the above will be communicated to municipalities in the next budget circular for the 2014/15 financial year, to be issued shortly after the tabling of the National Budget.

Municipalities are urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

National Treasury supports the use of the following formula, proposed by NERSA, for calculating municipal electricity tariff increases:

$$MG = (B \times BPI) + (S \times SI) + (R \times RI) + (C \times CCI) + (OC \times OCI)$$

Where:

MG = % Municipal Guideline Increase
B = % Bulk purchases
BPI = % Bulk purchase increase
S = % Salaries
SI = % Salaries increase
R = % Repairs
RI = % Repairs increase
C = % Capital charges
CCI = % Capital charges increase
OC = % Other costs
OCI = % Other costs increase

All cost shares and increases must relate to the electricity function of the municipality

The formula for calculating the guideline:

MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)
= (70 x 8.06) + (10 x 6.5) + (6 x 5.5) + (4 x 5.5) + (10 x 5.5)
= 6.48 + 0.64 + 0.32 + 0.22 + 0.54
= 7.39%

Municipalities must familiarize themselves with the Municipal Tariff guideline on electricity price increases for 2014/15 which include inclining block tariffs from NERSA which is available at the following link; www.nersa.org.za.

Where a municipality's evaluation of its cost structure results in a lower or higher tariff increase to that proposed by NERSA, the municipality must structure its tariffs accordingly and ensure it provides the necessary motivation and information in its tariff application to NERSA.

Inclining block tariffs (IBT) for electricity

Municipalities are urged to design an IBT structure that is appropriate to its specific circumstances, and ensures an appropriate balance between 'low income customers' and other domestic, commercial and business customers, and the financial interests of the municipality.

It is also important that any proposed IBT is fully aligned to the principles set out in the *South African Electricity Supply Industry: Electricity Pricing Policy* (EPP), including the principle that electricity tariffs must be cost reflective and that any cross-subsidies should be explicit.

A municipality must structure its IBT tariff according to its own specific circumstances and ensure that it provides the necessary motivation and information to NERSA in its tariff application. In this regard, municipalities need to pay careful attention to determining an appropriate level of cross-subsidisation between the different IBT blocks given the profile of its customer base, and also have regard to the price elasticity of the demand for electricity.

Water and sanitation tariffs must be cost-reflective

Municipalities are once again reminded to review the level and structure of their water and sanitation tariffs carefully with a view to ensuring:

- Water and sanitation tariffs are on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance and renewal of purification/treatment plants and network infrastructure, and the cost of new infrastructure;
- Water and sanitation tariffs are structured to protect basic levels of service; and
- Water and sanitation tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

If a municipality's water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time; this guidance has been supplied in various Budget Circulars. ***As per the guidance in previous Budget Circulars, municipalities are expected to have cost reflective tariffs for the 2014/15 MTREF for both water and sanitation***. Should this not be case, municipalities will be required to clearly articulate the reasons within the budget document including remedial actions in rectifying this position.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

Municipalities, not already calculating and reporting non-revenue water in accordance with the International Water Association (IWA) standards as required by the Department of Water Affairs (DWA) should contact DWA for assistance in this regard. National Treasury is working with DWA to publish this information in the near future.

Solid waste tariffs

Municipalities are once again reminded that in many instances waste tariffs do not cover the cost of providing the different components of the service. Where this is the case, municipalities should aim to have appropriately structured, cost-reflective solid waste tariffs in place by 2015.

The tariffs for solid waste management must take into account that it is good practice to maintain a cash-backed reserve to cover the future costs of rehabilitating landfill sites.

Municipalities are encouraged to explore alternative methodologies to manage solid waste, including recycling and incineration in plants that use the heat energy to generate electricity.

As explained in the section dealing with the local government budget and financial management reforms, the project commissioned to formulate an approach to management accounting and tariff setting will assist in achieving cost reflective tariffs especially for the main trading services.

Funding choices and management issues

Municipalities are once again reminded that given on-going economic pressures, the revenue side of municipal budgets will continue to be constrained, so they will need to make some very tough decisions on the expenditure side of the budget. Priority still needs to be given:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Ensure that *public investments, services, regulations and incentives* are focussed in defined spatial areas (spatial targeting) to optimise overall connectivity and access to opportunities;
- Provide clear signals to private sector;
- Transport, human settlements, bulk infrastructure, economic infrastructure, land use management (e.g. zoning), tax and subsidy incentives;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance;
- Expediting spending on capital projects that are funded by conditional grants;
- Ensuring that borrowed funds are invested in revenue generating assets as part of the capital programme; and
- To implement cost containment measures.

Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services.

Employee related costs

Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2013 until 31 January 2014, plus 1 per cent for 2014/15 financial year (with effect of 1 July 2014).

Considering that municipalities will be preparing and finalising their respective 2014/15 MTREF for tabling as per the MFMA prior to the announcement of the final CPI for the relevant

period, municipalities will have to provide for assumed budget growth as it relates to employee related costs.

In this regard municipalities are advised that the average CPI for the period November 2012 to October 2013 is 5.8 per cent which compares well to the estimate of 5.9 per cent for 2013 as provided for in the 2013 Medium Term Budget Policy Statement. Municipalities are therefore advised to provide for increases related to salaries and wages as follows:

2014/15 Financial Year – 6.8 per cent (5.8 per cent plus 1 per cent)
2015/16 Financial Year – 6.4 per cent (5.4 per cent plus 1 per cent)
2016/17 Financial Year – 6.4 per cent (5.4 per cent plus 1 per cent)

It is recommended that the projected inflation forecast plus one per cent be applied to the 2015/16 and 2016/2017 financial years in the absence of a collective Salary and Wage agreement.

Once the final average CPI for the period 1 February 2013 until 31 January 2014 is available municipalities will be a position to adjust their 2014/15 budget and MTREF prior to tabling for consideration and approval toward the end of May 2014; it is not envisaged that the actual CPI will be a significant deviation from the guidelines and should therefore not have a detrimental impact on the tabled budget prior to community consultation.

In addition to considering the actual salary and wage increases municipalities are reminded to accurately budget for actual positions and vacancies as per the organisational structure of the municipality and notch increments where applicable. Municipalities are also reminded that supporting tables SA22 (Summary councillor and staff benefits), SA23 (Salaries, allowances and benefits of political office bearers/councillors/senior managers) and SA24 (summary of personnel numbers) as part of the Municipal Budget and Reporting Regulations need to be accurately completed. Municipalities are urged to provide a narrative to the budget document explaining the numbers and budget appropriations.

Excessive expenditure on overtime has been increasingly observed in National Treasury's analysis of municipal budgets. In certain instances overtime can account for as much as 10 per cent of the employee related costs. Although overtime is considered acceptable, as it relates to essential services, an excessively high allocation could be an indication of performance inefficiencies. Overtime is an expensive form of remuneration and can easily be abused. Should excessive overtime be found to be legitimate it could be an indication that the organisational structure is insufficiently funded and hence would require funds being rather appropriated against vacancies. Based on the most recent Budget and Benchmark Engagements with the non-delegated municipalities, overtime as a percentage of total remuneration decreased to an average 4 per cent. As a guideline, municipalities are advised that a percentage above 5 per cent would require further investigation; it needs to be noted that this percentage is based on total municipal remuneration and individual functions will differ owing to the nature of the service rendered such as emergency services.

Remuneration of councillors

Municipalities are reminded to refer to MFMA Circular No. 67 with regard to the following issues:

Benefits to councillors and Mayors' – Municipalities are reminded to adhere strictly to the gazetted limits and provisions.

Cellular telephone (mobile) and data contract policy – Municipalities were required to compile and approve a cellular telephone (mobile) and data (3G) policy with effect from 1 July 2013.

Non-revenue water and electricity

As part of the 2014/15 budget and MTREF municipalities will be required to fully account for non-revenue water and electricity including technical and non-technical losses. In this regard, **Annexure B** provides a synopsis and explanation on how the accounting transactions should be applied.

Although the example specifically deals with the accounting transactions for non-revenue water, the same needs to be applied for non-revenue electricity. It must further be noted that the sample does not make any provision for VAT, the payment by debtor/consumers or for any opening or closing stock. It focuses on the purchase, selling transactions and stock control only.

Furthermore, the norm for technical losses for electricity is different to that of the one used for water in Annexure B. It is therefore necessary to use the correct norm and make it part and parcel of the municipalities' budget policies.

Renewal and repairs and maintenance of existing assets

It is observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority, regardless of guidance supplied in the previous Budget Circular. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2014/15 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- Where the municipality allocates less than 40 per cent of its 2014/15 Capital Budget (as reflected on Table A9) to the renewal of existing assets it must provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan;
- Table A9 (Asset Management) provides for the breakdown of the capital budget into new assets and asset renewal. Many municipalities don't transparently complete this table and tend to aggregate all capital expenditure against new asset infrastructure. This bad practice needs to be eliminated as it directly impedes the ability of the municipality to proactively manage their infrastructure;
- Where the budgeted amounts for operational repairs and maintenance reflected on Table A9 is less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE) as reflected in the municipality's 2012/13 annual financial statements, the municipality must provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan. The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to services rendered. A minimum level of repairs and maintenance of municipal assets is required to ensure the continued provision of services;
- The average provision made for operational repair and maintenance for the 17 non-delegated municipalities for 2013/14 was 4.2 per cent. Although an improvement from the previous financial year, this is still far from the required norm of 8 per cent as discussed above; and
- In the case of a municipality that received an audit qualification related to its asset register the municipality must provide a detailed explanation and assurance that the

budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan in the budget document.

Municipalities are also reminded of the disclosure requirements of the Municipal Budget and Reporting Regulations as it relates to supporting Table SA1. This table requires the disclosure of operational repairs and maintenance against employee related costs, other materials, contracted services and other expenditure. Municipalities are reminded of the importance of supporting tables SA34 a, b, c and d which provides an analysis of capital asset renewal and operational repairs and maintenance. The totals should reconcile with the supporting and main tables.

National Treasury, along with provincial treasuries will assess aspects of asset management as part of the 2014/15 Municipal Budget and Benchmark Engagements. Inadequate asset management appropriations (capital asset renewal and operational repairs and maintenance) will result in the budget been assessed as demonstrating limited credibility.

Furthermore, municipalities are reminded that reporting on asset renewal and repairs and maintenance has been institutionalised as part of the in-year section 71 reporting process and publication of municipal performance. It is in the best interest of municipalities to ensure that expenditure against this strategic expenditure imperative is prioritised. If a municipality has failed to appropriately budget for these expenses it will distort reporting outcomes.

Accounting for the rehabilitation of capital assets

It has come to the attention of National Treasury that municipalities account for the rehabilitation of assets as repairs and maintenance as opposed to reporting this as an increase in the value of the capital asset.

Expenditure to rehabilitate, enhance or renew an existing capital asset (including separately depreciable parts) can be recognised as capital if:

- the expenditure enhances the service provision of that capital asset (with the exclusion of operational running maintenance);
- increases the useful life of that capital asset (beyond its original life);
- increases that capital asset capacity (beyond its original capacity);
- increases the performance of the capital asset (beyond the original performance);
- increases the functionality of that capital asset;
- reduces the future ownership costs of that capital asset significantly; or
- increases the size of the asset or changes its shape.

Budgeting for unfunded/underfunded mandates

In previous budget years, it was noted that a number of municipalities were budgeting for unfunded/underfunded mandates. The South African Cities Network (SACN, 2007:78) defines an unfunded/underfunded mandate as when municipalities perform the functions of other spheres of government and bear significant costs out of their own revenue sources. These unfunded/unfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is allocated to non-core functions at the expense of service delivery.

One of the main objectives of local government is to ensure the provision of basic services to communities. Section 153 of the Constitution requires that budgeting processes must

prioritise the basic needs of the community. Municipalities must therefore prioritise the provision of basic services such as electricity, water, sanitation and refuse removal in their MTREF budgets. Municipalities may only budget for non-core functions such as crèches, sports fields, libraries, museums, health services, and etc. if:

- The function is listed in *Schedule 4B and 5B* of the Constitution;
- The function is assigned to municipalities in terms of national and provincial legislation;
- The municipality has prioritised the provision of basic services; and
- It does not jeopardise the financial viability of the municipality.

In terms of Section 21 of the MFMA, the mayor must ensure that the budget tabled in council for consultation is credible. A credible budget must be consistent with the IDP and be achievable in terms of service delivery and performance targets; revenue and expenditure projections must be realistic; and the implementation of the budget must improve the financial viability of the municipality (refer to page 2 of MFMA Circular 28 for a detailed discussion).

Consequently, if the tabled budget is not credible it is a contravention of the MFMA. Municipalities are reminded that the Auditor-General audits compliance with legislation when they conduct their annual audits and that that the non-compliance with the MFMA may be grounds for a qualification.

Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government.

Cost containment measures

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as costs for accommodation. These measures would be applicable to all national and provincial departments, constitutional institutions and all public entities with effect from 1 December 2013.

While local government is autonomous in its strategy formulation (IDP) and budget appropriations, it remains a sphere of government. In pursuing value for money and curtailing unnecessary costs ***municipalities are strongly urged*** to take cognisance of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

Eliminating non-priority spending

The *2013 Medium-term Budget Policy Statement* (MTBPS) highlighted the need for resource allocation to be prioritised in expanding public-sector investment. The MTBPS further emphasises the need for government to step up its efforts to combat waste, inefficiency and corruption. Municipalities must therefore pay special attention to cost containing measures and controlling unnecessary spending on nice-to-have items and non-essential activities.

The following additional examples of non-priority expenditure have been observed, and municipalities are reminded that they need to be eliminated as well:

i. excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;

ii. public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
iii. LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
iv. excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
v. arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
vi. excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
vii. excessive luxurious office accommodation and office furnishings;
viii. foreign travel by mayors, councillors and officials, particularly 'study tours';
ix. excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7(1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;
x. excessive staff in the office of the mayor – particularly the appointment of political 'advisors' and 'spokespersons';
xi. all donations to individuals that are not made in terms of the municipality's indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
xii. costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or 'golden handshakes';
xiii. the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;
xiv. excessive unnecessary spending on personal bodyguards and security to political office bearers; and
xv. Excessive overtime.

General expenditure

The ***Independent Communication Authority of South Africa*** is experiencing challenges with collecting spectrum licence fees from municipalities.

The majority of radio-frequency spectrum licences for South African municipalities have been suspended and/or have been cancelled due to long outstanding radio-frequency spectrum licence fees, this while the majority of municipalities' continue to make use of radio systems e.g. two-way radio systems.

In this regard municipalities are requested to urgently contact ICASA to clarify each municipality's position. Correspondence can be directed to:

chairperson@icasa.org.za or by facsimile to 011 566 3008

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars No. 48, 51, 54, 55, 66 and 67 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget an allocation – National Treasury regards* allocations that are not designated for a specific purpose to be bad practice and discourages them (refer to MFMA Circular No. 51);
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular No. 51);
3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular No. 51);
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular No. 51);
5. *Providing clean water and managing waste water* – Municipalities are reminded to include a section on 'Drinking water quality and waste water management' in their 2013/14 budget document supporting information (refer to MFMA Circular No. 54);
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the benchmarks set out in MFMA Circular No. 55 and 66;
7. *Budgeting for an operating deficit* – Over the medium term, a municipality should budget for a moderate surplus on its Budgeted Statement of Financial Performance so as to be able to contribute to the funding of the Capital Budget. If the municipality's operating budget shows a deficit it is indicative that there are financial imbalances that need to be addressed (refer to MFMA Circular No. 55);
8. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular No. 55);
9. *Water and sanitation tariffs must be cost reflective* - refer to Circular No. 66;
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular No. 67;
11. *Additional In-Year reporting requirements* – refer to Circular No. 67; and
12. *Appropriation statement (Reconciliation: Budget and in-year performance) - reference is made to Circular No. 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of the 2012/13 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements; this is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.

Treasury control

Section 216(2) of the Constitution of the Republic of South Africa (Act No. 108 of 1996) stipulates the following:

"The National Treasury must enforce compliance with the measures established in terms of subsection (1), and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures."

National Treasury has increasingly observed persistent material breaches of the legislative framework governing local government. Municipalities need to take note that the National Treasury has institutionalized the right to invoke Section 216(2) of the Constitution which directly implies the immediate and indefinite stopping of all grant transfers to municipalities, including the equitable share for those municipalities that are in breach of the municipal legal framework. In this regard the following aspects need to be carefully noted and proactively dealt with by affected municipalities.

Forensic audit reports

It has come to the attention of National Treasury that forensic audit reports are not submitted to council for action. Councils are again reminded of their responsibility to discuss the report in council and to implement a fair procedure in dealing with the findings of the report; this would in all probability require action against councilors and/or officials.

If it is found that a municipality commissioned a forensic audit and that the subsequent report did not serve before the municipal council, National Treasury will invoke Section 216(2) of the Constitution against that municipality and stop all grant transfers. In addition, the Auditor General will be informed of the incurred fruitless and wasteful expenditure.

Settlement of outstanding creditors

In terms of Section 65(2)(e) of the MFMA, all invoices must be paid within 30 days of receipt thereof. Section 5(2)(e) further states that the National and Provincial Treasuries must monitor compliance with the Act and take appropriate steps if a municipality commits a breach of the MFMA.

It has come to the attention of National Treasury that many municipalities neglect to settle outstanding creditors within the prescripts of the MFMA. This includes water boards, Eskom and the Auditor General. Any municipality that neglects to settle these creditors within 30 days of invoice will be subject to the invoking of Section 216(2) of the Constitution.

Conditional transfers to municipalities

Section 28(1)(a) of the Division of Revenue Bill originates from the role played by the districts with regard to co-ordinating intergovernmental relations with municipalities in their jurisdiction as per section 38 of the IGR Framework Act, 2005. This necessitates enhanced co-operation between municipalities in order to achieve a common vision in planning, integration, alignment and harmonisation of strategies, in areas such as economic development and development planning, infrastructure investment, and building partnerships with a broad range of stakeholders. With regard to the division of powers and functions between district and local municipalities, section 84(1)(o) of the Municipal Structures Act stipulates that the district municipality is obliged (where applicable) to budget and distribute grants allocated in a particular financial year. Therefore section 28(1)(a) aims to facilitate the above scenario in a more structured manner.

Linked to the above, section 16 of MFMA should be read in conjunction with Section 22(b) of the MFMA stating that immediately after an annual budget is tabled in a municipal Council, it must be submitted to the National and provincial treasuries, other national or provincial organs of state and to other municipalities. In the absence of the specific timelines, the Municipal Budget and Reporting Regulations (MBRR) provide guidance and specify that annual budgets should be submitted to the prior-mentioned stakeholders by the 10th working day post tabling

at the municipal Council. However, it should be noted that DoRB – Division of Revenue Bill has equal weight against the MFMA and we will therefore amend the 2014 DoRB to ensure consistency as it relates to the 10th and 14th day disjuncture.

Various concerns have been raised relating to the possibility that district municipalities might end up submitting annual budgets twice to the relevant stakeholders prior to final adoption. This is premised on the event that the DoRB is enacted with major changes on 01 April each year. This is a highly unlikely scenario as the National Treasury has effectively managed this over the years.

National Treasury draws municipalities' attention to section 29 of the 2013 Division of Revenue Act, regarding the responsibilities of provincial treasuries. National Treasury has noticed through the municipalities' Pre-audit Annual Financial Statements of 2012 that municipalities are receiving significant funding from provinces. This funding is however not supported by legislation in terms of the requirements of section 29 of DoRA by ensuring grants received are supported by an appropriation. Without the necessary gazette the municipality would not have a basis for spending the received funds.

Second to the gazetting, the province must publish a payment schedule which will guide the flow of money to municipalities for purposes of proper planning and cash flow management. To this cause, the Treasury encourages provinces and municipalities to adhere to the legal prescripts as stated in the Division of Revenue Act.

Reporting in terms of section 71

Section 71 of MFMA provides for a parallel reporting to be done by the receiving officer to both the national department responsible for transferring the allocations and to the National Treasury. The purpose for the reporting is amongst others to ensure a consistent reporting by the receiving officers on a monthly basis.

We continue to observe municipalities reporting varying numbers between National Treasury and the National departments. Municipalities must establish a standard operating procedure by which there is only one version of the truth; this can only be achieved if municipalities use one reporting tool through the Office of the CFO.

Refer to the Reporting Requirements document for a full explanation of the requirements.

Reporting against grant performance

Municipalities must ensure that grant funding is not spent against goods and services not delivered or against work not done. Treasury discourages procurement of such related transactions as they may be deemed to undermine the SCM processes and directly result in irregular expenditure. Payments for services rendered can only be made upon receipt of invoices. Furthermore, National Treasury has observed that many municipalities report underperformance against grant spending during the financial year only to have this corrected at the end of June; among others, weak internal control processes as it relates to payment certificates significantly contributes to this challenge. Municipalities are therefore requested to ensure that all capital payment certificates are sourced by the respective engineering and service delivery departments and accounted for by the last working day of the month. Any capital payment certificates that are not received and accounted for by the last working day will be included in the next reporting period.

Reporting on VAT on grant in the financial statements

MFMA Budget Circular No. 58 provided guidance on the treatment of VAT on conditional grants. Further municipalities were also advised on how to classify grants in the control accounts. Municipalities were advised to report grant spending VAT inclusive through the DoRA and section 71 reports. With regards to grant disclosures in the Annual Financial

Statements, municipalities are advised to ensure that there is a clear disclosure on the type of grant (per grant name) on the amounts received, spent and unspent during the year. Further, in instances where VAT input was received from SARS, a clear disclosure in the statements be made through the VAT control accounts reconciling with the grant disclosure note or annexures.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars No. 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants* – Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant;
2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx;
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions;
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular No. 51 for other arrangements in this regard);
5. *Pledging of conditional grant transfers* – the 2013 Division of Revenue Bill will contain a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2015/16. The process of application as set out in MFMA Circular 51 remains unchanged;
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund;
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the National Treasury approved and verified primary banking details would be used for effecting transfers; and
8. *Conditional grant transfers/payments and the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants* – It is important that the transfers applicable to municipalities' are made transparent, and properly captured in the municipalities'' budget. MFMA Circular No. 67 in this regard refers. The criteria for the rollover of conditional grants are referred to MFMA Circular No. 51 for more information.

The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.6 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2014/15 Budget and MTREF.

Download Version 2.6 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

All municipalities must prepare budgets in accordance with the regulations.

Municipalities are reminded that the regulations apply to all municipalities and municipal entities as from 1 July 2009.

All municipalities and municipal entities must prepare annual budgets, adjustments budgets and in-year reports for the 2014/15 financial year in accordance with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in the Schedules to the Municipal Budget and Reporting Regulations; and
- The relevant attachments to each of the Schedules (the Excel Formats).

If a municipality fails to prepare its budget, adjustments budget and in-year reports in accordance with the relevant formats, actions the National Treasury will take include:

- The municipality will be required to resubmit their documentation in the regulated format by a date determined by the National Treasury;
- The municipality's non-compliance with the required formats will be reported to the Auditor-General; and
- A list of municipalities that fail to comply with the required formats will be tabled in Parliament and the provincial legislatures.

Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe Kgothatso Matlala	012-315 5044 012-315 6567 012-315 5005	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Kgothatso.Matlala@treasury.gov.za
Free State	Vincent Malepa Kgomotso Baloyi	012-315 5539 012-315 5866	Vincent.Malepa@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za
Gauteng	Nozipho Molikoe Thabang Manaka	012-395 5662 012-395 6557	Nozipho.Molikoe@treasury.gov.za Thabang.Manaka@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha	012-315 5936 012-315 5171	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Lindiwe Ngcongwane	012-315 5101 012-315 5357	Sadesh.Ramjathan@treasury.gov.za Lindiwe.Ngcongwane@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Ilze Baron	012-395 6742	Ilze.Baron@treasury.gov.za

End to the phasing in of formats and tables

This will be the fifth year that all municipalities are required to prepare their annual budgets in accordance with the Municipal Budget and Reporting Regulations. National Treasury therefore expects all municipalities to provide a complete set of information in their annual budget tables, as well as the supporting tables (Schedule A1). All municipalities are once again reminded that the tabled budget including all supporting documents and completed A1 Schedule of the Municipal Budget and Reporting Regulations must be submitted to the National Treasury and respective provincial treasuries prior to the budget and benchmarking exercise.

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the municipalities, and an appropriate letter will be addressed to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations.

Consolidated budgets and reports for municipalities with entities

A municipality that has one or more municipal entities is required to produce:

- An annual budget, adjustment budgets and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budgets and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

This is to ensure that there is consistency of reporting both across municipalities, but also in respect of the individual municipality with municipal entities.

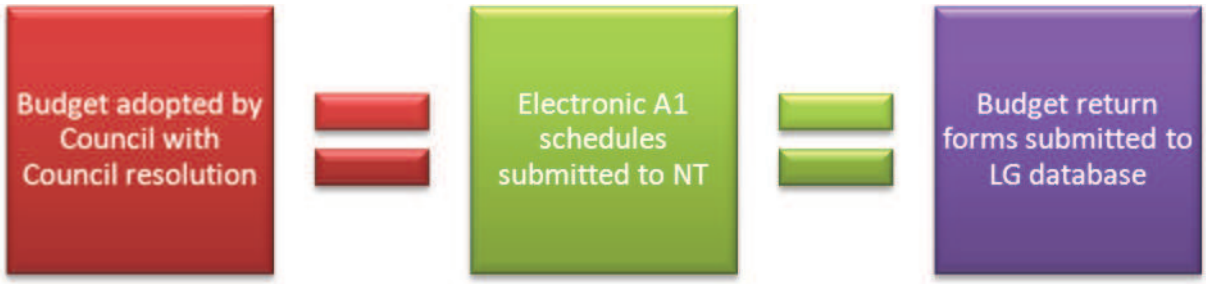
Completion of service delivery information on Table A10

Similar to the previous budget compilation process, municipalities are reminded that Table A10 is becoming an increasingly important source of information on actual service delivery and service delivery backlogs. During the assessment of the 2013/14 budgets and MTREF's, it was observed that the information provided in this Table A10 lacks credibility and compromises transparency and accountability of the entire budget process.

It is therefore important for each municipality to ensure its information is up-to-date and accurate. In addition, during the assessment of the 2014/15 budgets and MTREF's specific attention will be given to Table A10 by National Treasury and all respective provincial treasuries. Municipalities are advised to give particular attention with the completion of Table A10 in ensuring the information accurately depicts the actual position of the municipality. In completing Table A10 care must be given to the unit of measure i.e. kilolitres, kilowatt-hour etc.

2014/15 MTREF budget verification process – Asset management return (AM)

The budget verification exercise involves the reconciliation between the hard copy of the budget adopted by Council with the electronic Schedule A budget document (tables) and return forms submitted to the National Treasury which must contain the same information/numbers. The following figure graphically represents this process.



In addition to the verification of the MTREF budget, all previous year's figures should also be correctly aligned with the audited financial statements of the municipality and any restatement of figures.

In addition most municipalities struggled with the completion of the Asset Management (AM) return. The AM return is an extension of the information on Appendix B – Analysis of property, plant and equipment and the relevant notes to the AFS. Municipalities' difficulty in completing this return is likely due to lack of proper asset registers and incorrect reporting in the AFS.

The reconciliation of the AM return starts with an opening value which is the carrying value of assets for the previous financial year. The carrying value is the difference between the cost/revaluation minus accumulated depreciation. Information that should be added is new and replaced capital for the financial year. The information included in these columns must be exactly the same per line item as the information disclosed on the Table A9 (Asset

Management) with the same information duplicated on the Capital acquisition form (CA); these need to reconcile. It will only be the CA form and information on new and replaced assets that will be transferred to the AM form for reconciliation purposes and not the information on the AM return. The reconciliation of all the above is therefore imperative.

The accumulated depreciation should be correctly calculated. The accumulated depreciation will be the accumulated depreciation for the previous financial year plus the depreciation for the current year. The closing total or carrying value is a reconciliation of the opening value (carrying value) plus the purchase of new and renewal of assets minus disposals and accumulated depreciation.

Municipalities must test the above reconciliation before completion of the asset register summary on Table A9 (Asset management). Finally the closing balance in any financial year should be the opening balance for the next financial year.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars No. 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition of 'revenue foregone' and how it is distinguished from 'transfers and grants' are discussed in MFMA Circular No. 51;
2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular No. 54); and
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities are required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2012/13 budgets (refer to MFMA Circular No. 55).

Budget process and submissions for the 2014/15 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

Submitting budget documentation and schedules for 2014/15 MTREF

To facilitate oversight of compliance with Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. The deadline for such submissions is Tuesday, **15 April 2014**; and

- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2014, the final date for such a submission is Monday, **14 July 2014**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- Signed Budget Locking Certificate as found on the website.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com; any problems experienced in this regard can be made with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents	**For posted documents**
Ms Linda Kruger	Ms Linda Kruger
National Treasury	National Treasury
40 Church Square	Private Bag X115
Pretoria, 0002	Pretoria, 0001

After receiving tabled budgets, National Treasury will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate improvements in the quality of tabled and approved budgets. Please review the municipality's performance last year, and ensure that the gaps are addressed.

In addition, the National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2014 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All municipalities must have already migrated to using the aligned version of the electronic returns. All returns are to be sent to lgdatabase@treasury.gov.za.

The new aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

Dealing with reporting inconsistencies

In achieving reporting consistency across all municipalities' the following needs to be give specific attention:

- *Reporting on property rates and revenue foregone*
  When reporting Property Rates on the electronic returns submitted to lgdatabase@treasury.gov.za, municipalities are required to do so in the GFS function "Budget and Treasury Office" to promote consistent reporting by all municipalities. Revenue forgone must be divided into the 4 GFS functions (Water, Electricity, Waste Management and Waste Water Management) as well as Property rates (in the BTO function) and accounted for on supporting Table A1 of the MBRR.

- *Tariffs*
  Municipalities are required to complete supporting Tables SA13a and SA13b and Table SA14. It is the intention of National Treasury to assess and analyse this information across all municipalities going forward. In addition, this information will be incorporated into the next Local Government Budget and Expenditure Review.

Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
4 December 2013

Annexure A – Changes to Schedule A1 – the 'Excel formats'

As noted above, National Treasury has released Version 2.6 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	SA8	Amended formula in line 18	Accurate reflection of the current or budget collection rate
2	SA8	Allowance for water and electricity losses in percentage terms	Assist data gathering for mid-year assessment purposes
3	SA9	Column heading replaced to reflect Census 2011 results	Census 2011 data was made available to municipalities in March 2013.
4	SA16	Allowance for withdrawals out of and sinking funds into existing investments.	Alignment to the IM return form
5	SA13a	Amended to reflect rate in the Rand to four decimal places	Municipalities were unable to capture figures less than zero accurately
6	SA29	'Sources of Finance' added	Alignment of monthly capital expenditure budget to total capital expenditure as reported on sheet A5

NATIONAL TREASURY

MFMA Circular No. 72

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2014/15 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2014/15 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars, and specifically MFMA Circular No. 70 – Municipal Budget Circular for the 2014/15 MTREF.

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1 Key focus areas for the 2014/15 budget process

The 2014 Budget Review notes that while twenty years of democracy have brought enduring achievements for South Africa, there is no room for complacency. To overcome apartheid's spatial legacy, the provision of housing and social infrastructure needs to be improved, and planning frameworks across government strengthened. The budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). Although South Africa's economy has expanded over the past years, the rate of growth has steadily declined, from 2.5 per cent of GDP in 2012 to 1.8 per cent in 2013; it is however projected to increase to 2.7 per cent in 2014, and gradually increase to 3.5 per cent by 2016. This trend reflects a confluence of unfavourable global and domestic circumstances which impact on all spheres of government. Aware of these risks, government is maintaining its expenditure ceiling and no additional funds have been added to the total expenditure announced in last year's Budget. Inflation and a nominal spending ceiling will put real budgets under pressure over the medium term, requiring all spheres of government to work more efficiently.

Measures to support faster growth include accelerated public infrastructure development, new spatial plans for cities, improved public transport, upgrading of informal settlements, the implementation of steps to professionalise the public service, overhaul procurement and supply chain management, and broadening and strengthening of industrial development. The medium-term budget framework shows how government has adapted its plans in a challenging economic and fiscal environment. Importantly, government continues to fund core economic and social priorities.

The NDP has been implemented to create a framework to accelerate economic growth, eliminate poverty and reduce inequality. The budget policy framework for the next three years reflects greater alignment with the plan, as spending programmes begin to address economic constraints and the need for greater state efficiency. The NDP identifies a number of microeconomic reforms needed to boost economic growth. These include reducing the cost of living for poor households and the costs of doing business, support for small, medium and micro enterprises (SMMEs), entrepreneurs and business start-ups, a greener and more sustainable economy, support for local production and employment through government procurement and broadening and strengthening industrial development.

Municipalities will have to revise their spending plans and reprioritise funds to ensure key objectives are achieved and well-performing programmes are supported. Expenditure plans need to reflect both the medium-term investment plans and long-term goals identified in the NDP. Over the next three years, government as a whole will have to learn to do more with less. The efficiencies that are achieved will protect public finances and enable the country to accelerate development when economic conditions improve. Local government must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework of all municipalities. Consequently, municipal revenues and cash flows are expected to remain under pressure in 2014/15 and ***municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts***.

In addition, municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost. Municipalities should also pay particular attention to managing revenue effectively and carefully evaluate all spending decisions.

2 Division of Revenue Bill 2014

2.1 Additional allocations to local government 2014

The 2014 Budget Review and the 2014 Division of Revenue Bill indicate that over the 2014 MTEF, R296 billion will be transferred directly to local government and a further R27.4 billion has been allocated to indirect grants over the next three years. Direct transfers to local government in 2014/15 account for 8.9 per cent of national government's non-interest allocations and when indirect transfers are included this amount rises to 9.6 per cent. An amount of R4.7 billion is added to the local government equitable share to meet the rising costs of providing municipal services and to help rural municipalities, and R1.9 billion is added to direct conditional grants, which include the municipal infrastructure, public transport network operations and integrated city development grants. A further R2 billion is added to indirect transfers, through whom national departments and public entities provide infrastructure and services on behalf of municipalities.

Local government allocations receive additional funds to address among others:

- Compensate and support municipalities with lower revenue-raising potential such as rural, local and district municipalities;
- Compensate for the rising costs of providing free basic water and electricity to poor households;
- Accelerate provision of access to clean water through bulk and reticulation projects;
- Accelerate provision of access to electricity and improving the sustainability of access through the refurbishment of key infrastructure;
- Expand the collection and use of data on the condition of municipal roads;
- Increasing the number of interns with infrastructure-related skills working in municipalities; and
- Promote more spatially integrated and efficient cities.

This means the baseline allocations to local government for the 2014/15 are R44.5 billion to the local government equitable share and R36.1 billion for conditional grants, capacity building (such as the municipal systems improvement grant and infrastructure skills development grant) and other grants (such as water services operating subsidy and energy efficiency and demand-side management grant). By 2016/17 these allocations are envisaged to have increased to R52.8 billion and R41 billion respectively.

This document is available on National Treasury's website at:

http://www.treasury.gov.za/documents/national%20budget/2014

In addition, National Treasury will send out 'allocation letters' informing each municipality of its equitable share, national conditional grants and provincial transfers (as reflected in the relevant provincial budget and gazette).

Municipalities must ensure that their tabled budgets reflect the equitable share and conditional grant allocations set out in the 2014 Division of Revenue Bill.

2.2 Changes to the 2014 Division of Revenue Bill (DoRB)

Providing greater certainty in relation to the Public Transport Infrastructure Grant
Clause 8(34) of the DoRB also requires consultation before funds for Public Transport Infrastructure projects are altered downwards by the National Treasury. This will provide certainty and protect against reductions in future budgets enabling municipalities to secure loan financing and better project management implementation.

Enhancing transparency and accountability in the management of grant funds

Clause 12(3) of the DoRB deals with the responsibilities of receiving officers of conditional grants which includes a requirement that if a grant transfer is withheld or stopped, the province or municipality must provide reasons why a grant transfer was stopped or withheld in its monthly and quarterly expenditure reporting.

Promoting more integrated cities

South African cities have grown tremendously since the end of apartheid and are considered engines of economic growth. However, in many ways their spatial development patterns continue to perpetuate the inequalities of apartheid; poor households are located on the peripheries of our cities and businesses are far from the people who work there. The City Support Programme (CSP) is working with metropolitan municipalities to ensure that their long-term development patterns and spatial form becomes both more equitable and more efficient; over time this strategy should support faster economic growth and a reduction in inequality. In support of these objectives, several new provisions have been introduced in the 2014 Division of Revenue Bill such as the introduction of clause 14 which requires ***metropolitan municipalities to draw-up and submit a Built Environment Performance Plan (BEPP)***. The BEPP is a strategic summary of the city's infrastructure programme (including grant and own revenue funded infrastructure) that must demonstrate how the city will use its infrastructure investments to change the way the city develops. Institutionalisation of the BEPP will require metropolitan municipalities to:

- Submit a Council approved BEPP that provides a strategic summary of how the infrastructure programme will be used to develop a more integrated and efficient city in terms of the spatial targeting approach of the Urban Network Strategy and associated development indicators;
- BEPPs must include projects partially or fully funded by all infrastructure grants metros receive (Urban Settlements Development Grant, Integrated National Electrification Programme Grant, Public Transport Infrastructure Grant, Neighbourhood Development Partnership Grant); and
- Transferring national officers are required to consider a city's BEPP when monitoring allocations to metros and determining future allocations. They also cannot make transfers if a BEPP is not submitted (Clause 10(9) of the DoRB).

The BEPP is intended to bridge the gap between the Integrated Development Plan and the Budget of a municipality, giving effect to Spatial Development Frameworks; a critical instrument for investment prioritisation and focus on spatial targeting and integration.

Requiring greater consultation with national transferring officers

Clause 21 explicitly requires consultation with the respective department managing a grant before National Treasury will consider approving the conversion from one type of grant to another in-year (for example converting a direct grant to an indirect grant).

Allowing funds to shift between Public Transport Grants

Clause 21(1)(b) of the DoRB provides for the shifting between capital and operating grants that fund municipal public transport systems in cities through a gazetting process. This provides greater certainty to cities in that in-year shortfalls on one aspect of the grant framework for public transport can be offset by shifting funds from another grant.

Municipal Water Infrastructure Grant

Based on the experience with the first year of the grant, approximately half of the grant totalling R3.3 billion will be a direct grant to municipalities while the remaining half will be changed to an indirect grant through which the Department of Water Affairs will implement projects in municipalities with a poor track-record on implementing projects.

Conversion of allocations

Clause 21 of the DoRB further provides for the conversion of the Municipal Infrastructure Grant (MIG) and the Urban Settlements Development Grant (USDG) from a direct grant to an indirect grant if the conversion will improve service delivery. Municipalities are therefore reminded to prioritise the eradication of the bucket system; failure to adhere to this requirement will result in the National Treasury invoking the relevant clauses of the Division of Revenue Act against Schedule 6 Grants.

Technical amendments

In addition to the various changes to the 2014 Division of Revenue Bill, there have also been technical amendments as follows:

- The objects of the Bill have been redrafted to reflect the language of section 214(1) of the Constitution, which, read with the Intergovernmental Fiscal Relations Act, 1997, requires the introduction of a Division of Revenue Bill annually;
- Changes have been made to the way financial years are referred to so as to minimise any confusion and to clarify when the national/provincial financial year is applicable and when the municipal financial year applies;
- Clauses that facilitate the stopping and reallocation of funds to a different sphere in the case that a function is assigned during the financial year have been redrafted to clarify that the normal rules and procedures for a conditional grant will apply to the transfers to the newly assigned sphere. Municipalities that are assigned the housing function must also confirm or amend the expenditure plans previously submitted by a province to the national transferring officer;
- Clarification has been included that National Treasury must set the date for any conditional grant funds that remain unspent at the end of the financial year to be returned to the National Revenue Fund; this forms part of the annual process in considering roll-overs;
- Clarification has been added that the recovery of any fruitless and wasteful expenditure in terms of the Division of Revenue Act should be done using the procedures in the Public Finance Management Act, 1999, and Municipal Finance Management Act, 2003;
- Clarification has been added that the national transferring officer (accounting officer of a national department) must sign-off the grant allocations and frameworks submitted to National Treasury for the 2015 Division of Revenue Bill and that the accounting officer may delegate the authority to sign-off these allocations; and
- Clarification has been included in clause 29 that if the documents required by that section have already been submitted in terms of the timeframes set out in the Municipal Finance Management Act, the documents do not have to be resubmitted.

3 Headline Inflation Forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2014/15 budgets and MTREF –

Fiscal year	2012 Actual	2013 Estimate	2014	2015 Forecast	2016
Real GDP growth	2.5	1.8	2.7	3.2	3.5
CPI inflation	5.6	5.7	6.2	5.9	5.5

Source: Budget Review 2014
Note that the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

4 Revising rates, tariffs and other charges

4.1 Operating Revenue

Municipalities are reminded to refer to MFMA Circular No. 70 to ensure they abide to legislative prescriptions as contained in the MFMA and guidance in setting revenue projections. Furthermore, considering the overall economic pressures as explained in the start to this Circular, municipalities need to demonstrate how they have minimised increases in rates, tariffs and other charges through the identification of inefficiencies and the application of cost containment measures while ensuring an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

National Treasury has observed that municipalities unjustifiably approve property rate and service charge tariff increases far above the 6.0 per cent upper boundary of the inflation target; in some instances municipalities have increased annual tariffs in excess of 100 per cent in a single financial year. For this reason ***municipalities must justify and substantiate in their budget documentation (budget narrative) all increases in excess of the 6.0 per cent*** upper boundary of the South African Reserve Bank's inflation target. If municipalities continue to act in this manner the National Treasury will have no other option but to set upper limits of tariff increases for property rates and service charges to which municipalities will have to conform.

4.2 NERSA's process to approve electricity tariffs

Municipalities should have submitted tariff increase applications from November 2013 aligned to the requirements of section 43 of the MFMA and subsequently NERSA will endeavour to finalise and complete all municipal tariff applications by 15 March 2014. In this regard, municipalities were consistently reminded to submit all outstanding D-forms to NERSA as a matter of urgency as the deadline for submission was 30 October 2013. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms. It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs does not disrupt the process of compiling municipal budgets or compromise community consultations on the budget.

Considering the above legislative requirements, NERSA approved and communicated the municipal electricity tariff guideline increase on 20 November 2013. NERSA also held numerous provincial workshops and individual engagements with municipalities in assisting with the completion of the Distribution forms (D-forms), which is a crucial part of a tariff review document.

In spite of all the efforts taken by NERSA, there have only been a total of 34 applications received as at 13 February 2014 from municipalities which constitutes only 18 per cent of the licensees. The lack of collaboration from municipalities will therefore inhibit NERSA from achieving the 15 March deadline. In this regard, ***municipalities must urgently submit their tariff application together with the accurately and comprehensively completed D-forms to NERSA.***

NERSA has confirmed that they will assess and approve the submitted tariff applications as promptly as possible. However, the lack of cooperation on the part of municipalities has created a bottleneck in the system and will inevitably result in delays. Municipalities are reminded that the tariff application processes as established and institutionalised by NERSA is not voluntary and municipalities must ensure compliance.

4.3 Eskom bulk tariff increases

Municipalities are advised to structure their 2014/15 electricity tariffs based on the approved **7.39 per cent** NERSA guideline tariff increase and provide for an **8.06 per cent** increase in the cost of bulk purchases for the tabled 2014/15 budgets and MTREF. In this regard municipalities are once again urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

5 Funding choices and management issues

5.1 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the latest Public Officer Bearers Act issued in December 2013 inclusive with the provision of an increase equal to the estimated CPI inflation over the MTEF.

5.2 Employee related costs

Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2013 until 31 January 2014, plus 1 per cent for 2014/15 financial year (with effect of 1 July 2014).

The average CPI for the period February 2013 to 31 January 2014 is 5.79 per cent which compares well to the estimate of 5.9 per cent for 2013 as provided for in the 2013 Medium Term Budget Policy Statement. Municipalities are therefore advised to provide for increases related to salaries and wages as follows:

2014/15 Financial Year – 6.79 per cent (5.79 per cent plus 1 per cent)
2015/16 Financial Year – 6.40 per cent (5.40 per cent plus 1 per cent)
2016/17 Financial Year – 6.40 per cent (5.40 per cent plus 1 per cent)

It is recommended that the projected inflation forecast plus one per cent be applied to the 2015/16 and 2016/2017 financial years in the absence of a collective Salary and Wage agreement.

5.3 Cost containment measures

In MFMA Circular No. 70 municipalities were strongly advised to take note of the Cabinet resolution of 23 October 2013 by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measures with effect of January 2014. The cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and event costs as well as costs for accommodation. Municipalities were subsequently strongly urged to take note of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible.

Although it's acknowledged that local government is autonomous in its strategy formulation (IDP) and setting of budget appropriations, local government remains a sphere of government and must therefore align itself to the maximum extent possible to that of national and provincial government. In this regard in terms of section 62(1) of the MFMA the accounting officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- That the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards; and
- That unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.

It's within the spirit of cooperative governance and intergovernmental relations that all accounting officers take note of the cost containment measures and adopt similar measures as part of their municipal budgeting processes. In this regard, previous MFMA Circulars provide guidance as to what is considered as non-priority spending. As part of the annual 2013/14 and 2014/15 audit process the Auditor General will be required to verify if municipalities have adhered to the Cabinet Decision with regard to this matter.

5.4 Achieving value for money and improved outcomes

The 2014 Budget aims to improve the quality of public services by achieving better outcomes within the current fiscal envelope. If resources are wasted or diverted, the potential outcomes are diminished and so is the case for increased resource allocation. In ensuring value for money through improved outcomes there are various initiatives underway, including:

- Several spending reviews are under way, conducted jointly by the National Treasury and the Department of Performance Monitoring and Evaluation. The reviews aim to provide greater understanding of performance and value for money in areas such as housing, education and industrial policy;
- Similar spending reviews have been conducted in provincial government, and suggest a range of efficiency improvements that can enhance value for money; and
- As part of efforts to combat waste, government issued the cost containment instructions in January 2014.

5.5 2014 National Elections

In terms of Government Notice R.145 of 2014, Government Gazette No 37387, the date of the election of the National Assembly and the election of Provincial Legislatures will be held on 7 May 2014.

Municipalities are reminded that the pending elections are for the sole purpose of electing the National Assembly and Provincial Legislatures; subsequently there is no impact on municipalities and hence all municipalities must refrain from making any contribution, be that monetary or in kind to any political party.

In terms of Section 236 of the Constitution funding is provided to political parties participating in national and provincial legislatures on an equitable and proportional basis; this Fund is controlled and managed by the Independent Electoral Commission. Any municipality that is found to have contributed to the national and provincial election process, be that directly or in kind, will be in direct contravention of legislation and subsequently the associated expenditure will have to be dealt with as unauthorised and irregular.

In addition, it has come to the attention of National Treasury that prior to a national, provincial or local government election some municipalities cease debt collection and credit control measures; this done to win public support prior to the election. Not only is this practice completely irresponsible, it also jeopardises the financial sustainability of the municipality, and is outside the policy framework governing the municipality. A debt collection and credit control policy is a resolution of the municipal council and only through that resolution being rescinded by the municipal council can the debt collection and credit control measures be suspended. ***Hence, no municipality is allowed to suspend debt collection and credit control measures prior to the National Elections.*** Accounting officers need to take note that if a municipality is found to have suspended their debt collection and credit control measures, this action will be considered a serious violation of the MFMA in that it constitutes an act of financial misconduct and the necessary action will be taken by National Treasury. With municipal elections national and provincial government respect the autonomy of the process and demonstrate a level of consideration; the same is expected from municipalities during the National Elections.

5.6 Tabling a surplus budget

National Treasury has consistently urged municipalities to table and adopt a surplus operating statement of financial performance. Through the in-year reporting framework it has been observed that a direct correlation exists between municipalities that adopt a deficit position on the statement of financial performance and that of cash and liquidity challenges. In addition, many municipalities are increasingly becoming dependent on grants to fund their budgets as no operating surpluses are generated to supplement the capital programme. Consequently ***all municipalities are required to adopt a surplus position on the statement of financial performance with the 2014/15 MTREF budget***.

5.7 Capital expenditure – Internally generated funds: Capital Replacement Reserve

Municipalities are required to supplement their capital expenditures from own funds through the application of the Capital Replacement Reserve (CRR) and current year surpluses; this is considered a prudent and supported principle in supplementing the overall capital programme in funding new infrastructure and renewing aging assets. Notwithstanding the importance of supplementing the capital programme from own funding, many municipalities provide funding appropriations from own internally generated funds without the necessary cash backing. This directly implies that the capital programme is unfunded and will inevitably result in cash and liquidity challenges for the municipality. Municipalities must ensure internally generated funds appropriated to the capital programme is adequately cash backed if the funding source is the CRR or that the current year surpluses will realistically realise.

5.8 Service standards

The setting of service standards is an integral part of the service delivery value chain. It provides transparency in understanding performance indicators and hence strengthens the entire performance management system. In addition it ensures accountability on the part of the officials responsible for providing the service.

Local government is mostly classified in the service delivery and governance category and as such needs to be clear on what the public at large can expect as a service delivery standard. Rate payers must be placed in a position by which they are able to measure the service outputs against the predetermined service standards. This also serves as a performance rating instrument at an organisational and individual level. It is for this reason that a municipality must adopt services standards as part of their strategic objectives and report on the achievements. All municipalities are required to formulate service standards by the end of January 2015 which must form part of the 2015/16 draft MTREF budget documentation. In addition, the service standards need to be tabled before the municipal council for formal

adoption. The service standards must at a minimum incorporate the administrative, technical, and economic development categories of the municipality. The following can be used as a guide in the development of these service standards:

- Administrative service standards
  - Turnaround time in dealing with correspondence (electronically or other) received.
  - Turnaround time in opening a consumer account.
- Technical service standards
  - Turnaround time in dealing with reported incidents (water leakage, pothole, etc.).
  - Turnaround time in restoring water and electricity connectivity.
- Economic development service standards
  - Turnaround time in processing rezoning applications.
  - Turnaround time in processing building plans.
  - Turnaround time in processing special business applications.

While its acknowledge that 'a one size fits all approach' is not feasible and that service standards will differ between municipalities. Notwithstanding, all municipalities need to proceed with the process of developing service standards to be approved by the municipal council.

5.9 Water security versus the developmental objective of local government

Water is a scarce resource and proactive measures need to be implemented by all municipalities in ensuring the management of this resource. This should however not impede municipalities in pursuing a developmental agenda aimed at stimulating local economic growth. In mitigating against this imminent risk, the Department of Water Affairs developed strategies and issued reduction targets in water consumption patterns of municipalities; the target date for achieving these predetermined reductions is 2014. Although some progress has been made by certain metropolitan municipalities in reducing consumption levels, the overall target has not been achieved. Municipalities need to ensure that strategies are in place to reduce overall water consumption including proactively managing non-revenue water. The Department of Water Affairs has finalised a report in this regard and the Minister will release the findings in due course.

5.10 Intergovernmental relationship between district and local municipalities

The role, purpose and mandate (power and functions) of district municipalities in relation to local municipalities are clearly defined in the Constitution. The current perception is that district municipalities don't serve any purpose and don't add value to broader service delivery outcomes in that they are a duplication of the functions undertaken by local government. This perception has been created by a blurring of the roles and responsibilities by these municipalities.

District municipalities are reminded that the grant framework and sharing of nationally raised revenue is based and informed by the actual allocation of functions such as the water function. If a district municipality has devolved the water function to the local municipalities within its area of jurisdiction it needs to ensure it provides for the transfer of a portion of the equitable share to the local municipalities actually performing the function through the district's budget process. The equitable share is gazetted as a transfer to the district and does not take into consideration internal arrangements and agreements between district and local municipalities.

Being highly grant dependent to fund operations district municipalities have started implying that the fiscal framework (grant framework) does not adequately fund their operations and directly contributes to imputed service delivery performance. It needs to be noted that National Treasury has in the past observed district municipalities spending excessively on new administrative buildings and luxurious office furnishings. In addition, excessive spending on vehicles, travelling and subsistence and over bloated remuneration structures has also been observed. District municipalities are reminded that they need to perform a support function to local municipalities and in doing so prioritise their budget appropriations accordingly and align to the national and provincial objectives in executing their mandate.

District municipalities are once again requested to ensure that they utilise grant funding in accordance with the national objectives and to ensure that grant funding reaches targeted focus areas.

National Treasury in consultation with the Department of Cooperative Governance will be reviewing the powers and functions of district municipalities in relation to the powers and functions of local municipalities; this will include a review of the intergovernmental fiscal framework.

5.11 The Municipal Regulation on a Standard Chart of Accounts (SCOA)

The publication of the draft Municipal Regulation on a Standard Chart of Accounts in September 2013 informed the formal consultation sessions held with representatives from municipalities and invitees from various stakeholders. Comments were invited, summarised in a register, discussed in detail by a workgroup consisting of senior officials from the National Treasury and appropriate comments and actions formulated. These inputs, among others, will inform SCOA Version 5 that will be made available with the final SCOA Regulation.

National Treasury would like to urge the management of municipalities to prioritise the preparation for implementation as a focus area for this budget planning period and the periods to follow to ensure that sufficient resources are available for this critical project. Implementation of a project of this nature, scope and resource allocation needs to become a strategic objective of the municipal council to ensure successful implementation.

The principles of SCOA are ensconced in Version 4 (available on the National Treasury website) of the classification framework and endeavours by the municipality to prepare for implementation should not be limited by the pending finalisation of SCOA. Immediate attention is required to bring the municipality on track for SCOA implementation and subsequent reporting in terms of this classification framework.

The Municipal Regulation on a Standard Chart of Accounts is in its final stages and will be gazetted by the Minister of Finance in due course. A follow-up MFMA Circular will be issued in guiding municipalities, with among others, the change management process and implementation phase of the SCOA.

5.12 Budgeting for the pending demarcation of various municipal boundaries

The Demarcation Board recently published proposed changes to municipal boundaries including the merging of various municipalities. Although it's acknowledged that any municipal boundary changes and incorporation of municipalities will have an impact on the municipal planning and budgeting processes, municipalities must maintain the status quo and budget as if it's business as usual; this includes providing for revenue appropriations as per the gazetted DoRA. Further guidance will be provided to affected municipalities as the process unfolds.

6 Conditional transfers to municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual Division of Revenue Act (DoRA) to assist them in exercising their powers and performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Further, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes
Schedule 7	Part A	Allocations to provinces for immediate disaster response
	Part B	Allocations to municipalities for immediate disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to provide for transfers from national or provincial departments that are not gazetted in terms of the 2014 Division of Revenue Act (once enacted) or the relevant provincial budget, or that are not related to a properly approved agency agreement. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 by the local municipality, and from there directly on Table A6 Budget Financial Position.

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2014 Division of Revenue Bill provides that –

1. In terms of section 16, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 30, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 29, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2014 Division of Revenue Act being signed into law at the following address:

http://www.treasury.gov.za/legislation/bills/2014/Default.aspx

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities. This will be available at:

http://mfma.treasury.gov.za/Media_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx

6.1 Timing of municipal conditional grant transfers

In order to facilitate synchronisation of the national / provincial financial year (1 April to 31 March) with the municipal financial year (1 July to 30 June), the 2014 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 1 July 2014 to 31 March 2015. Municipalities must not accept any equitable share, Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer grant funds and to only make agency payments to municipalities within the period 1 July 2014 to 31 March 2015. This is to ensure the municipality is able to include such funds on its budget for 2014/15 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

6.2 Payment schedule for transfers

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure appropriate safety checks are put in place.

Section 23 of the 2014 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, if the payment *details of the municipality are not up-to-date the transfers will also be rejected.*

6.3 Provincial payment schedules

The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 30(5) of the 2014 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

6.4 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2014 Division of Revenue Bill are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual Division of Revenue Act is the responsibility of the municipal manager as the "receiving officer". The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the Division of Revenue Act. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

6.5 Unspent conditional grant funds for 2013/14

To bring legal certainty to the process of managing unspent conditional grant funds, section 21 of the 2013 Division of Revenue Act contains all provisions relating to the treatment of unspent conditional grant funding.

The process to ensure the return of unspent conditional grants for the 2013/14 financial year will be managed in accordance with section 21 of the Division of Revenue Act. In addition to the previous MFMA circulars, the following practical arrangements will apply –

Step 1: Municipalities must submit their June 2014 conditional grant expenditure reports according to section 71 of MFMA reflecting all accrued expenditure on conditional grants.

Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2014. These amounts MUST exclude all interest earned on conditional grants and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.

Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the Division of Revenue Act 2013 that the funds are committed to identifiable projects or wants to propose an alternative payment method or schedule, the required information must be submitted to National Treasury by 29 August 2014. ***National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.***

Step 4: National Treasury will confirm in writing whether or not the municipality may retain as a rollover any of the unspent funds because they are committed to identifiable projects or whether it has agreed to any alternative payment methods or schedules by 1 October 2014.

Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject of a specific repayment agreement with National Treasury to the National Revenue Fund by **21 October 2014**. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the Division of Revenue Act.

Step 6: Any unspent conditional grant funds that should have, but hasn't been repaid to the National Revenue Fund by 21 October 2014 will be offset against the municipality's November 2014 equitable share allocation.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

6.6 Criteria for the rollover of conditional grant funds

Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA (read together with regulation 23(5) of the Municipal Budget and Reporting Regulations) because they are national/provincial funds. The applicable rollover process is then given effect through the municipal adjustments budget in January/February each year for all the cash/transfers that had already been transferred to the bank accounts of municipalities prior to the end of the financial year. In this regard refer to MFMA Budget Circular No. 51 for more information.

Section 21 of the 2013 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 21(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2013 of DoRA;
2. List of all the projects that are linked to the unspent conditional grants;
3. Evidence that work on each of the projects has commenced, namely either of the following:
    a. Proof that the project tender was published and the period for tender submissions closed before 30 June; or
    b. Proof that a contract for delivery of the project was signed before 30 June.
4. A progress report on the state of implementation of each of the projects;
5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. An indication of the time-period within which the funds are to be spent; and
7. Proof that the Chief Financial Officer is permanently appointed. ***No rollover requests will be considered for municipalities with vacant or acting chief financial officers***.

If any of the above information is not provided or the application is received by National Treasury after 29 August 2014, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 29 August 2014;
3. Accurate disclosure of grant performance in the 2013/14 pre-audit Annual Financial Statements;
4. Cash available in the bank as at 30 June 2014 to finance the roll-over request; and

5. Incorporation of the Appropriation Statement (discussed in point 6.7 below) as part of the pre-audit Annual Financial Statements.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2013/14 pre-audit Annual Financial Statements which must to be concluded by 31 August 2014.

Similarly to the above mentioned rollover process and in accordance with section 22(3)(b) of Division of Revenue Act, Provincial Treasuries are encouraged to institute measures and criteria for the rollover of conditional grant funds that municipalities receive from provincial departments.

6.7 Appropriation statement (Reconciliation: Budget and in-year performance)

In terms of GRAP 24 (Presentation of budget information in AFS) municipalities are required to present their original and adjusted budgets against the actual outcome in the annual financial statements; this is considered an appropriation statement. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement. All municipalities were required to compile an appropriation statement with the 2012/13 AFS.

Many municipalities neglected to compile the appropriation as part of their 2012/13 AFS. National Treasury considered this non-compliance in a serious light and going forward the incorporation of an appropriation statement in the AFS will form part of the ***evaluation criteria in considering and approving conditional grant roll overs. In the absence of an appropriation statement National Treasury will not favourable consider conditional grant roll over applications.***

6.8 Reporting and accounting for municipal approved conditional grant roll-overs

A municipality must report separately on the spending of conditional grant funds that are rolled over. National Treasury has provided a separate reporting template to facilitate this. This template must be submitted together with the normal template for reporting conditional grant spending for the current year. The template is customised per municipality and must be requested by e-mail: lgdataqueries@treasury.gov.za.

7 The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.6 of Schedule A1 (the Excel Formats). This version incorporates minor changes as communicated in MFMA Circular No. 70. Therefore ALL municipalities MUST use this version for the preparation of their 2014/15 Budget and MTREF.

Download Version 2.6 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

All municipalities must prepare budgets in accordance with the regulations
Municipalities are reminded that the regulations apply to all municipalities and municipal entities as from 1 July 2009.

All municipalities and municipal entities must prepare annual budgets, adjustments budget and in-year reports for the 2014/15 financial year in accordance with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in the Schedules to the Municipal Budget and Reporting Regulations;
- Ensuring Table A1 to A10 of the Municipal Budget and Reporting Regulations are accurately completed and specifically adopted by the municipal council;
- That supporting tables SA1 to SA37 are comprehensively and accurately completed and tabled before municipal council as part of the budget adoption process; and
- That the budget document (including the above mentioned tables) is supported by clear and concise narratives explaining the budget. It needs to be noted that the budget is an expression of the policy intent (IDP and strategic objectives) of the municipality and needs to be supported by clear narratives explaining the actual objectives over the Medium-term Revenue and Expenditure Framework. In this regard National Treasury issued the 'Dummy Budget Guide' to assist municipalities in compiling their MTREF budgets. Municipalities are urged to refer to the 'Dummy Budget Guide' which can be accessed at:

  http://mfma.treasury.gov.za/Guidelines/Pages/DummyBudgetGuide.aspx

If a municipality fails to prepare its budget, adjustments budget and in-year reports in accordance with the relevant formats, actions the National Treasury will take include:

- The municipality will be required to **resubmit their MTREF Budget documentation** in the regulated format by a date determined by the National Treasury to the municipal council for adoption;
- The municipality's non-compliance with the required formats will be reported to the Auditor-General; and
- A list of municipalities that fail to comply with the required formats will be tabled in Parliament and the provincial legislatures.

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5044	Templeton.Phogole@treasury.gov.za
	Matjatji Mashoeshoe	012-315 6567	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa	012-315 5539	Vincent.Malepa@treasury.gov.za
	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Gauteng	Nozipho Molikoe	012-395 5662	Nozipho.Molikoe@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
	Walter Munyai	012-395 6793	Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za

Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Kgothatso Matlala	012-315 5101 012-315 5005	Sadesh.Ramjathan@treasury.gov.za Kgothatso.Matlala@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the municipalities, and an appropriate letter will be addressed to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations. The National Treasury would like to stress that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded that they need to produce consolidated budgets and in-year reports for both the parent entity and entity in that they need to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

This is to ensure that there is consistency of reporting both across municipalities, but also in respect of the individual municipalities with municipal entities.

7.1 Budget compliance and benchmarking processes

National Treasury and the provincial treasuries will again assess all the municipalities' tabled budgets against the Compliance Checklist. Where there is substantial non-compliance municipalities will be required to re-table their budgets in council as discussed above, otherwise municipalities will be expected to make the necessary improvements prior to tabling the budget for approval by 1 June 2014.

In addition, the National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2014 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are reminded that the Municipal Budget and Reporting Regulations provide not only for the technical framework for municipal budgets but also for minimum requirements in terms of the structure of the budget document, including narratives in support of the budget tables. It has come to the attention of the National Treasury that certain municipalities table their annual budgets (MTREF's) in formats other than that of the prescriptions contained in the MBRR. Tabling and adopting a municipal budget (MTREF) in a format other than that of the MBRR constitutes gross financial negligence on the part of the municipality and is outside the legislative framework.

For all practical purposes, a municipal budget that is tabled and adopted by a municipal council in any other format than the prescriptions of the MBRR does not legally constitute a municipal budget.

As part of the budget compliance and benchmarking processes to be undertaken by both the National Treasury and respective provincial treasuries compliance verification will include:

- Level of compliance to the Municipal Budget and Reporting Regulations;
- Verification of the format in which the 2014/15 MTREF budget was tabled in the municipal council. This will include proof of a council resolution in support of the tabled 2014/15 MTREF budget (Schedule A of the MBRR); and
- Budget document that includes narratives to the prescribed table of content and budget tables covering at least Tables A1 to A10.

With regard to Schedule A of the MBRR, municipalities are strongly advised to specifically pay attention and ensure that the following tables are accurately completed with relevant information as National Treasury and provincial treasuries will be undertaking detailed analysis:

- Table A10 – Consolidated basic service delivery information. Municipalities must ensure that information provided includes, among others:
    - Household service targets for water, sanitation, electricity and refuse;
    - Number of households receiving free basic services it relates to each service;
    - Cost of free basic services provided;
    - Highest level of free basis services provided by the municipality; and
    - Revenue cost of free basic services provided.
- Table SA36 – Consolidated detailed capital budget. Municipalities must ensure that this tables is comprehensively completed, reconciles back to Table A5 (Consolidated capital expenditure) and provides for the GPS coordinates of individual projects.

The above information is critical for, among others, policy formulation at all spheres of government and the information is routinely required by the Presidency (Department of Performance Monitoring and Evaluation).

7.2 Certification that budget is correctly captured

Once the municipal council has adopted the municipal budget in the format of Schedule A the relevant portions of the budgets reflected in Tables A1 to A10 need to be captured on the municipality's financial system so that the municipality can manage its revenue and expenditure against the adopted budget. It has come to National Treasury's attention that many municipalities do not capture their adopted budgets on their financial system, and even those that do, do not 'lock' the adopted budget – meaning that the budget reflected on the system can be changed at any time without following due process.

To eliminate this bad practice, National Treasury hereby requests the accounting officer of each municipality in terms of the section 74 of the MFMA to provide a signed certificate by no later than 15 July 2014 certifying that:

1. The adopted annual budget has been captured on the municipality's financial system, and that there is complete agreement between the budget on the system and the budget adopted by council;
2. That the adopted annual budget on the municipality's financial system is locked; and
3. That the municipality has in place controls to ensure that the budget captured on the financial system can only be changed in accordance with:
    a. a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
    b. an Adjustments Budget approved by council.

A template of the certificate is available on National Treasury' website at:

http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx

8 Budget process and submissions for the 2014/15 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on all previous guidance provided and the Municipal Budget and Reporting Regulations. Municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

8.1 Submitting budget documentation and schedules for 2014/15

To facilitate oversight of compliance with Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. So if the annual budget is table to council on 31 March 2014, the final date of submission of the electronic budget documents is **Tuesday, 1 April 2014**. Hard copies must be received by no later than **Wednesday, 9 April 2014** including a council resolution in support of the tabled budget; and
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2014, the final date for such a submission is **Monday, 14 July 2014**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) and prescribed minimum narrative information in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format; and
- in the case of approved budgets, the council resolution.

As it relates to the hard copies of the budget document to be sent to the national and provincial treasuries, no budget document will be accepted if each page of the budget document (including schedules) are not formally stamped and signed by the secretariat responsible for ensuring accurate records of council decisions.

Municipalities are required to send electronic versions to lgdocuments@treasury.gov.za.

In the event that the file size exceeds 4 MB then please send it to lgbigfiles@gmail.com and notify the Local Government Database team via an e-mail (excluding the attachment) that the budget was submitted to the big files account.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents
Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents
Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

After receiving tabled budgets, National Treasury and provincial treasuries will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate improvements in the quality of tabled and approved budgets. Please review the municipality's performance last year, and ensure that the gaps are addressed.

8.2 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. *The old formats **may not** be used to submit 2014/15 budget information*. All municipalities must migrate to using the aligned version of the electronic returns. All returns are to be sent to lgdatabase@treasury.gov.za.

Returns for the 2014/15 budget must be submitted to the Local Government Database by **25 July 2014**.

The electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

8.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

8.4 Publication of municipal budgets on the National Treasury website

National Treasury publishes all the approved municipal budgets on its website. However, before publishing National Treasury verifies the correctness of the information submitted by municipalities by comparing the following three sources of information:

1. The Approved Budget, which is the municipality's budget in the format of Schedule A as approved by council (hard copy).
2. Schedule A1, which is the electronic version of the budget Tables A1 to A10, and supporting tables.

3. The Database budgets, which is the municipal budget generated from the information the municipality submits in the Budget Reform Returns.

The information in the Schedule A1 and the Database budget returns **MUST** reconcile with the Approved Budget as this is the budget that council has adopted and is therefore the legal basis for all revenue collection and expenditure activities within the municipality.

While only **149 municipalities** managed to achieve this reconciliation in the 2012/13 financial year, **206 municipal budgets** were aligned in the 2013/14 financial year. Efforts will continue to ensure all municipalities meet requirements and further improve the quality of budget information.

This process of ensuring these three sources of budget information reconcile is referred to as the Budget Verification Process. Municipalities must ensure that all these three sources of information are aligned upon finalising their budgets, and when submitting their budget information to the National Treasury and provincial treasuries. The National Treasury and provincial treasuries will again check for this alignment before publishing the municipal budgets in October 2014.

Municipalities are reminded that the provision of incorrect or misleading information in any document required in terms of the Act constitutes an act of financial misconduct in terms of Section 171(1)(c) of the MFMA. In addition, National Treasury reserves the right to invoke section 38 of the MFMA and withhold a municipality's equitable share if a serious or persistent breach of the measures established in terms of Section 216(1) of the Constitution is committed.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

9 General

9.1 Section 71- Consumer collection rates versus actual cash flow

Various municipalities do not have financial systems in place to report accurately to National Treasury on the breakdown of cash receipts and billings on property rates and individual service charges. It was found that collections are reported in aggregate for property rates and service charges and subsequently equally apportioned to property rates and service charges. In addition, many municipalities consistently report a collection rate in excess of a 100 per cent which is distorted when considering the growth in outstanding debtors. Not only does this deficient management practice detract from evidence based financial management it also distorts the information submitted to National Treasury. This can directly be attributed to weak management practices on the part of the municipality.

This problem is further exacerbated by the inconsistency in the methodologies applied in accounting for outstanding debtors. As a principle, all municipalities **must take note** of the inverse relation between growth in outstanding debtors and the actual collection (payment) rate; if outstanding debtors are increasing then the collection (payment) rate should inversely be decreasing. In addition, from a management perspective municipalities need to distinguish between current (30 day balance) and historic debt collection; debt **must** be classified and accounted for in terms of aging. Institutionalisation of these practices will empower managers to distinguish between the actual current collection rate and annualised collection (including historic debtors). In illustrating, a municipality might have a 100 per cent collection rate but at the same time debtors are increasing by 20 per cent. This scenario directly implies that the

current collection rate is effectively 80 per cent while 20 per cent of collections relate to historic debtors; differentiation in these measures is critical for decision making and performance management.

Municipalities must therefore ensure that the financial systems and subsequent reporting provides a detail breakdown for each service, including property rates which reconciles billings against actual receipts.

9.2 Offer of grant funding to municipalities: Metro Grant Holding

It has come to the attention of the National Treasury that a company by the name of 'Metro Grant Holding' is approaching municipalities with an offer of international donor funding subject to certain conditions. Several documents from the above-mentioned institution were submitted to the Chief Directorate: International Development Cooperation (IDC) regarding the proposed availability of "free funding" for the Republic of South Africa and more specifically municipalities. The National Treasury has concluded that this is in all probability a scam and municipalities must ensure they refrain from any engagements with this institution or any other institution offering donor (free) funding. In the event that municipalities have legitimate proposals of donor/grant funding they need to ensure such proposals are first forwarded to the National Treasury (Chief Directorate: International Development Cooperation) which will undertake the necessary due diligence and verification on the part of the municipality.

9.3 Annexures to MFMA Circular No. 72

Municipalities are once again reminded that through the MFMA Circulars municipalities are continuously advised and guided in respect of various subjects ranging from budgeting and accounting standards to the introduction of leading practices. In this regard municipalities must take note of the following annexures accompanying this Circular:

- Annexure A: Certification of Audited Annual Financial Statements by the Auditor General.
- Annexure B: Accounting treatment for agency services – housing function.
- Annexure C: Observations from the mid-year performance engagements – informal settlements.

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17 March 2014

Annexure A

Certification of Audited Annual Financial Statements by the Auditor General

It has come to the attention of the National Treasury that municipalities submit annual financial statements to the National and provincial treasuries that do not represent the actual audited annual financial statements of the municipality. Municipalities are not allowed to alter or make any changes to the audited annual financial statements without first obtaining the prior approval of the Auditor General in consultation with the National Treasury. This will ensure that:

- Audited AFS and which are distributed to organs of state and other stakeholders by municipal councils are complete, accurate, correct and certified and signed as final after the audit has been completed, and
- Compliance with Section 127(2) of the MFMA is achieved and presented with accuracy and reliability when the Executive Mayor / Mayor table the annual report to Council.

It is imperative that National Treasury address these inconsistencies by enforcing and eliminating any possibility of the municipality's Audited AFS being exposed to alterations without the knowledge and prior approval of the Auditor General as legislated in terms of Section 126(5) of the MFMA.

For this reason the National Treasury hereby issues the following directives to municipalities and their entities in terms of section 5(2)(f) of the MFMA and has requested the Auditor General to implement the following processes:

- The final adjusted and audited annual financial statements for all municipalities be certified, officially stamped and signed by Auditor General;
- The following statements be certified, stamped and signed by Auditor General:
    - Statement of Financial Position;
    - Statement of Financial Performance;
    - Statement of Changes in Net Assets; and
    - Cash Flow statement.
- The front cover page of the AFS read as follows: "Audited Annual Financial Statements''.

The above measures will assist in refining local government processes and improving credibility of reported municipal performance information prior to the presentation to various stake holders and Parliament. Municipalities must therefore ensure the final Audited Annual Financial Statements abide to the abovementioned directives.

Annexure B

Accounting treatment for agency services - housing

Municipalities have requested National Treasury to provide guidelines on the accounting treatment for agency services and more specifically the housing function.

The following scenarios provide further clarification.

Scenario 1 – Construction contract (GRAP 11)

The municipality must account for the revenue and expenses relating to the construction of RDP houses in the statement of financial performance if the municipality is a contractor as defined in GRAP 11 on Construction Contracts.

GRAP 11 determines:

- *A construction contract is a contract, or a similar binding agreement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.*

- *A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods or render services to the specifications of another entity, either itself or through the use of sub-contractors.*

In this scenario, the municipality must be appointed as the contractor in the construction of assets i.e. RDP houses.

Scenario 2 – Grant/transfer received from government (GRAP 23)

Depending on the agreement, funds transferred from another sphere of government might constitute a grant/transfer. If this is the case the rules and accounting treatment for grants/transfer should be applied as determined in GRAP 23 and all revenue and expenditure must be accounted for in the budget.

Scenario 3 – Agent vs principal agreements (GRAP 9)

In terms of GRAP 9, an entity is acting as a principal when it is exposed to the significant risks and rewards associated with the sale of goods or the rendering of services. Considerations in determining if an entity is acting as a principal include, but are not limited to:

- GRAP 9, paragraph 13 determines that in an agency relationship, the gross inflows of economic benefits or service potential, including amounts collected on behalf of the principal do not result in an increase in net assets for the entity. The amounts collected on behalf of the principal are not classified as revenue; revenue recognised in the books of the municipality is limited to the commission earned while performing the agency functions. This represents an agency agreement.
- An entity is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. If the parties have entered into an agreement by which the amount the municipality earns is predetermined, being either a fixed fee per transaction or a stated percentage then the probability that the municipality is acting as an agent is high.
- There are instances where the municipality assists the provincial department with the construction of RDP houses within the municipality's jurisdiction; the municipality might also be involved in managing the flow of funds from the department to the contractors.

This represents an agent relationship as it does not provide services directly related to the construction of the RDP houses. Importantly, the receipt of an agency fee is not precondition for the transaction to be classified as an agency service.

If the relationship between the parties is deemed to be an agency agreement, the municipality is not required to reflect funds received from the transferring party as revenue, with the exception of commission. The primary reason being that the revenue is accrued to the contractor and not the municipality; similarly expenditures are accrued to the transferring party and not the municipality.

In dealing with these transactions it's advised that the municipality should account through the use of a creditor's account for all receipts and payments relating to the project; this in turn provides for reconciliation in the statement of financial position at year end. It's also proposed that a separate project account be utilised deal with receipts and payments; this will ensure no revenue and expenditure is reflected on the statement of operating performance.

Levels of accreditation and the implications on the accounting treatment

Level one accreditation – Housing function

Against accreditation level one, municipalities are responsible for beneficiary management, subsidy budget planning and allocation, and priority programme management and administration; municipalities are also responsible for identifying beneficiaries. The respective province is directly responsible for the appointment of contractors and building houses. Level one accreditation therefore constitutes an 'agency' function on part of the municipality as the revenue accrues to the provincial department and all work-in-progress during construction will also be accounted for by the province. In this regard Scenario 3 would apply and the municipality is not required to reflect funds received from the transferring party as revenue, with the exception of commission.

Level two accreditation – Housing function

In addition to the responsibilities associated with level one accreditation, the full programme management and administration of all housing instruments/ programmes are assigned to the municipality. Against level two accreditation, the municipality is responsible for the appointment, payment of contractors and building of houses. The grant revenue is allocated by the provincial department to the municipality and the province must gazette the allocations in favour of municipalities. In this regard Scenario 2 above will be applicable and municipalities are required to recognise the grant as revenue from non-exchange transactions in terms of GRAP 23. The municipality must also account for RDP houses as inventory after completion but before the transfer to beneficiaries take place.

Level three accreditation – Housing function

Level three accreditation includes budget planning, allocation and priority programme management and administration. This includes housing subsidy budgetary planning across programmes and projects, planning of subsidy/fund allocations, and project identification. As set out in the Housing Act, municipal responsibilities for local beneficiary management, local housing priorities and the management of public stock remain municipal responsibilities against this accreditation level. An important distinction between level 1, 2 and 3 accreditation is that with level 3 accreditation, the grant revenue is allocated by the national department to the municipality. Considering that the municipality is exposed to significant risks and rewards associated with the execution of the function, the municipality are classified as the principle entity and must account for revenue, expenditure and assets in terms of GRAP.

Determining between an agency and principal agreement requires judgement and consideration of all relevant facts, agreements and circumstances. Municipalities are strongly advised to review all existing contracts and where necessary either correct the accounting methodology in use or review the agreement between the parties to reflect actual intention of the agreement. If there is any uncertainty as to what constitutes an agency versus principal agreement and the subsequent accounting treatment thereof, municipalities are advised to contact the National Treasury (Office of the Accountant-General).

Annexure C

Observations from the Mid-year Performance Engagements: Informal Settlements

During the recent mid-year performance engagements conducted by the National Treasury with the 17 non-delegated municipalities leading practice was observed by several metropolitan municipalities as it relates to formalisation of informal settlements. As part of the formalisation process, all sites (plot/erf) are serviced and metered. They subsequently form part of the revenue value chain of the municipality in that the meters are consistently read on a monthly basis. Benefits of this leading practice include:

- Correlation between this leading practice and revenue improvements, places management in a position to actively manage consumption patterns and not only report this consumption as part of revenue foregone or non-revenue water and electricity;
- Improved management of the Indigent Registers; and
- Targeting of the indigent in terms of indigent exist strategies.

In addition, the title deed of the property (plot/erf) is immediately made available to the owners once serviced and formalised regardless if there is a top structure (RDP) on the property (plot/erf). This instils a sense of ownership and responsibility on the part of the owner.

Uniform Financial Ratios and Norms

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

Categorisation Financial Ratios, Formulas, Norms and Interpretation

Categorisation

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various

categories to address the different financial aspects and operations of a municipality or municipal entity.

1) **Financial Position**

2) **Financial Performance**

3) **Budget Implementation**

Financial Ratios, Formulas, Norms and Interpretation

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

1. FINANCIAL POSITION

A. Asset Management

1. Capital Expenditure to Total Expenditure

Purpose/Description of the Ratio

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

Formula

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

Norm

The norm range between **10% and 20%**

Interpretation of Results

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

2. Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)

Purpose/ Description of the Ratio

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.

Formula

Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100

Norm

The norm is **0%**

Interpretation of Results

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

3. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)

Purpose/ Use of the Ratio

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

Formula

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

Norm

The norm is **8%**

Interpretation of Results

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicates that the Municipality is experiencing cash flow problems and therefore unable to spend at

appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

B. Debtors Management

1. Collection Rate

Purpose/ Use of the Ratio

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

Formula

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

Norm

The norm is **95%**

Interpretation of Results

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

2. Bad Debts Written-off as % of the Bad Debt Provision

Purpose/ Use of the Ratio

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.

Formula

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

Norm

The norm is **100%**

Interpretation of Results

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

3. Net Debtors Days

Purpose/ Use of the Ratio

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

Formula

((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365

Norm

The norm is **30 Days**

Interpretation of Results

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,

this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

C. Liquidity Management

1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)

Purpose/ Use of the Ratio

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

Formula

((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).

Norm

The norm range between **1 month to 3 months.**

Interpretation of Results

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

2. Current Ratio

Purpose/ Use of the Ratio

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

Formula

Current Assets / Current Liabilities

Norm

The norm range between **1.5 to 2 :1**

Interpretation of Results

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

D. Liability Management

1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

Purpose/ Use of the Ratio

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

Formula

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

Norm

The norm is between **6% to 8%**

Interpretation of Results

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.

When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

2. Debt (Total Borrowings)/ Total Operating Revenue

Purpose/ Use of the Ratio

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

Formula

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

Norm

The norm is **45%**

Interpretation of Results

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

E. Sustainability

1. Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)

Purpose/ Use of the Ratio

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

Formula

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)

Norm

The norm is **100%**

Interpretation of Results

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

2. FINANCIAL PERFORMANCE

A. Efficiency

1. Net Operating Surplus Margin

Purpose/ Use of the Ratio

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

Formula

(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%

Norm

The norm is equal to or greater than **0%**

Interpretation of Results

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

2. Net Surplus /Deficit Electricity

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution

made by the provision of Electricity Services, being one of the major functions of a municipality.

Formula

Total Electricity Revenue less Total Electricity Expenditure /Total Electricity Revenue x 100%

Norm

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

Interpretation of Results

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

3. Net Surplus / Deficit Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

Formula

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.

4. Net Surplus /Deficit Refuse

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

Formula

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

Norm

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

5. Net Surplus / Deficit Sanitation and Waste Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

Formula

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

Norm

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

B. Distribution Losses

1. Electricity Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

Formula

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

Norm

The Norm is between **7% and 10%** and will be superseded by the sector determination.

Interpretation of Results

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

2. Water Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

Formula

(Number of Kiloliters Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kiloliters Water Purchased or Purified × 100

Norm

The Norm is between **15% and 30%**

Interpretation of Results

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

C. Revenue Management

1. Growth in Number of Active Consumer Accounts

Purpose/ Use of the Ratio

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

Formula

(Period under Review's Number of Active Debtor Accounts - Previous Period's Number of Active Debtor Accounts) / Previous Period Number of Active Debtor Accounts x 100

Norm

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

Interpretation of Results

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

2. *Revenue Growth (%)*

Purpose/ Use of the Ratio

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

Formula

(Period Under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

3. *Revenue Growth (%) - Excluding Capital Grants*

Purpose/Use of the Ratio

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

Formula

((Period Under Review's Total Revenue Excluding Capital Grants - Previous Period's Total Revenue Excluding Capital Grants)/ Previous Period's Total Revenue Excluding Capital Grants) x 100

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

D. Expenditure Management

1. Creditors Payment Period (Trade Creditors)

Purpose/ Use of the Ratio

This ratio indicates the average number of days taken for Trade Creditors to be paid.

Formula

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

Norm

The norm is **30 days**

Interpretation of Results

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure

Purpose/ Use of the Ratio

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

Formula

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

Norm

The norm is **0%**

Interpretation of Results

A ratio that exceeds 0% must be investigated and acted upon.

3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

Purpose/ Use of the Ratio

The ratio measures the extent of Remuneration to Total Operating Expenditure.

Formula

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

Norm

The norm range between **25% and 40%**

Interpretation of Results

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

4. Contracted Services % of Total Operating Expenditure

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

Formula

Contracted Services / Total Operating Expenditure x 100

Norm

The norm range between **2% and 5%**

Interpretation of Results

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

E. Grant Dependency

1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

Formula

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure

Purpose/ Use of the Ratio

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

Formula

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)

Purpose/ Use of the Ratio

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

Formula

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

Norm

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

3. BUDGET IMPLEMENTATION

1. Capital Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Capital Expenditure / Budget Capital Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

2. Operating Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

3. Operating Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

Formula

Actual Operating Revenue / Budgeted Operating Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

4. Service Charges and Property Rates Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

Formula

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.

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Chief Director: MFMA Implementation
17 January 2014

Annexure 1: Summary of the financial ratios, norms, formulae and data sources
Annexure 2: Excel template for calculation of the ratios and interpretation of results

SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

1. FINANCIAL POSITION

A. Asset Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment Impairment + Investment Property Impairment + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property(Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%

B. Debtors Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off /Provision for Bad Debt x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

C. Liquidity Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

D. Liability Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

E. Sustainability

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Statement Financial Position, Budget and AR	100%

2. FINANCIAL PERFORMANCE

A. Efficiency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%

B. Distribution Losses

RATIO		FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

C. Revenue Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)/ previous period number of Active Debtor Accounts x 100	Debtors System	None
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI

D. Expenditure Management

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

E. Grant Dependency

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

3. BUDGET IMPLEMENTATION

	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%

NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Annexure 2

Interpretation of results

	The green colour indicates that the result is within the norm and is acceptable
	The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results.
	Data should be captured in the blue colour cell to calculate a ratio.
#	In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		10.10%	*Please refer to page 2 of MFMA Circular No.71*	
					Total Operating Expenditure	869 588 449		
					Taxation Expense	-		
					Total Capital Expenditure	97 720 534		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	*Please refer to page 3 of MFMA Circular No. 71*	
					PPE, Investment Property and Intangible Impairment	-		
					PPE at carrying value	3 072 422 733		
					Investment at carrying value	175 866 200		
					Intangible Assets at carrying value	6 426 005		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		5%	*Please refer to page 4 of MFMA Circular No. 71*	Repais & maintenance compises 18,6% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
					Total Repairs and Maintenance Expenditure	162 267 868		
					PPE at carrying value	3 072 422 733		
					Investment Property at Carrying value	175 866 200		
B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		100%	*Please refer to page 5 of MFMA Circular No. 71*	
					Gross Debtors closing balance	69 091 265		
					Gross Debtors opeining balance	67 826 051		
					Bad debts written Off	500 000		
					Billed Revenue	674 206 000		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance,	100%		100%	*Please refer to page 5 of MFMA Circular No. 71*	
					Consumer Debtors Bad debts written off	500 000		

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
	Provision for Bad Debt	100	Notes to the AFS, Budget and AR		Consumer Debtors Current bad debt Provision	500 000	MFMA Circular No. 71	
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		28 days		
					Gross debtors	69 091 265	*Please refer to page 6 of MFMA Circular No. 71*	
					Bad debts Provision	16 500 000		
					Billed Revenue	674 206 000		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		1 Month		
					Cash and cash equivalents	88 050 033		
					Unspent Conditional Grants		*Please refer to page 7 of MFMA Circular No. 71*	
					Overdraft			
					Short Term Investments			
					Total Annual Operational Expenditure	760 323 017		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.28		The current ratio has floated in the range between 1 and 1,5 for approx. 5 years. Additional cash generation vs affordability by the consumers has to be considered
					Current Assets	197 145 852	*Please refer to page 7 of MFMA Circular No. 71*	
					Current Liabilities	153 849 177		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		8%		
					Interest Paid	45 162 306	*Please refer to page 8 of MFMA Circular No. 71*	
					Redemption	21 061 172		
					Total Operating Expenditure	869 588 449		
					Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		61%		Ever aware of the high gearing. Due to much needed infrastructure investment over the past decade. Policy in place to lower the gearing by 10% over a period of ten years
					Total Debt	436 871 000	*Please refer to page 9 of MFMA Circular No. 71*	
					Total Operating Revenue	778 087 894		
					Operational Conditional Grants	58 407 000		
E. Sustainability								
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		5702%		
					Cash and cash Equivalents	88 050 033		
					Bank Overdraft			
					Short Term Investment			
					Long Term Investment	22 206 902		
					Unspent Grants		*Please refer to page 9 of MFMA Circular No. 71*	
					Net Assets	2 810 508 920		
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus	2 808 575 238		
2. FINANCIAL PERFORMANCE								
A. Efficiency								

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		#DIV/0!	*Please refer to page 10 of MFMA Circular No. 71*	N/A - With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life.Due to enhanced depreciation this indicator is not a true reflection. Based on the criteria, this indicator would be -11%.
					Total Operating Revenue			
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	-		
					Total Operating Expenditure			
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		13%	*Please refer to page 10 of MFMA Circular No. 71*	
					Total Electricity Revenue	312 305 306		
					Total Electricity Expenditure	272 386 078		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		4%	*Please refer to page 11 of MFMA Circular No. 71*	
					Total Water Revenue	96 871 828		
					Total Water Expenditure	93 157 457		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		5%	*Please refer to page 12 of MFMA Circular No. 71*	
					Total Refuse Revenue	59 690 500		
					Total Refuse Expenditure	56 489 141		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		7%	*Please refer to page 12 of MFMA Circular No. 71*	
					Total Sanitation and Water Waste Revenue	72 154 846		
					Total Sanitation and Water Waste Expenditure	67 138 464		
B. Distribution Losses								
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		7%	*Please refer to page 13 of MFMA Circular No. 71*	
					Number of units purchased and/or generated	238 316 000		
					Number of units sold	222 420 000		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		25%	*Please refer to page 13 of MFMA Circular No. 71*	
					Number of kilolitres purchased and/or purified	7 296 200		
					Number of kilolitres sold	5 460 000		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	*Please refer to page 14 of MFMA Circular No. 71*	
					Number of Active Debtors Accounts (Previous)	43 664		
					Number of Active Debtors Accounts (Current)	44 116		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		5%	*Please refer to page 15 of MFMA Circular No. 71*	As can be seen by the indicator below, operating revenue is generated on inflation level. Further tariff increase would be needed to raise additional revenue to further fund capital.
					CPI	6%		
					Total Revenue (Previous)	784 982 563		
					Total Revenue (Current)	820 841 811		
	Revenue Growth (%) - Excluding	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue	Statement of Financial Performance,			6%	*Please refer to page 15 of*	
					CPI	6%		

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	Revenue Growth (%) - Excluding capital grants	capital grants -previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI	Total Revenue Exl.Capital (Previous)	743 362 727	Please refer to page 16 of MFMA Circular No. 71	
					Total Revenue Exl.Capital (Current)	784 473 894		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		16 days	Please refer to page 16 of MFMA Circular No.71	
					Trade Creditors	21 605 890		
					Contracted Services	50 984 955		
					Repairs and Maintenance	121 898 492		
					General expenses	38 646 717		
					Bulk Purchases	169 444 224		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	97 720 534		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure			
					Total Operating Expenditure			
					Taxation Expense			
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		33%	Please refer to page 17 of MFMA Circular No. 71	
					Employee/personnel related cost	280 066 246		
					Councillors Remuneration	8 515 532		
					Total Operating Expenditure	869 588 449		
					Taxation Expense			
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		9%	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective service
					Contracted Services	81 062 123		
					Total Operating Expenditure	869 588 449		
					Taxation Expense			
E. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-	None		63%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	14 429 917		
					Borrowings	46 922 700		
					Total Capital Expenditure	97 720 534		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and	None		15%	Please refer to page 18 of MFMA Circular No. 71	
					Internally generated funds	14 429 917		
					Total Capital Expenditure	97 720 534		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		97%	Please refer to page 18 of MFMA Circular No. 71	
					Total Revenue	820 841 811		
					Government grant and subsidies	58 407 000		
					Public contributions and Donations	2 134 088		
					Capital Grants	34 233 829		
3. BUDGET IMPLEMENTATION								

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		#DIV/0!	*Please refer to page 19 of MFMA Circular No. 71*	
					Actual Capital Expenditure			
					Budget Capital Expenditure			N/A
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		#DIV/0!	*Please refer to page 20 of MFMA Circular No. 71*	
					Actual Operating Expenditure			
					Budget Operating Expenditure			N/A
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		#DIV/0!	*Please refer to page 20 of MFMA Circular No. 71*	
					Actual Operating Revenue			
					Budget Operating Revenue			N/A
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		#DIV/0!	*Please refer to page 21 of MFMA Circular No. 71*	
					Actual Service Charges and Property Rates Revenue			
					Budget Service Charges and Property Rates Revenue			N/A

ANNEXURE G

COMMENTS ON THE DRAFT BUDGET

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
1	**PRINGLE BAY RATEPAYERS ASSOCIATION**	**MR D MUIRHEAD**	27-Apr-14						(i)ROAD UPGRADES (ii) BEACH ACCESS ROUTES (iii) LAW ENFORCEMENT
	The contents of this submission is noted and management will ensure that Ward Committee Meetings are utilized as a vehicle to report back on planning and implementation, in order to ensure that the community is informed in this regard.								
2	**VILLA ANADIA HOME OWNERS ASSOCIATION**	**MR A MORRISON**	31-Mar-14	CONNECTION FEE - CONVENTIONAL WATER METER (W6A1)					
	The Tariff W6A1 now reflects the actual cost for the particular service. This tariff compares favourable with the same cost charged by neighbouring municipalities.								
3	**KLEINBAAI BELASTINGBETALERS & INWONERS VERENIGING**	**MR J WIESE**	21-Apr-14				(i)15 % INCREASE UNREASONABLE; (ii) NO INCREASE ON VACANT ERVEN IS NOT FAIR		(iii)SUNDRY TARIFFS-KLEINBAAI SLIPWAY-INCREASE KELP COLLECTORS TARIFF & DISTINGUISH BETWEEN SPORT & COMMERCIAL FISHING TARIFF (iv) OTHER CONCERNS: SIDEWALK MAINTENANCE, PLOT CLEARING, REFUSE REMOVAL, PROBLEMS AT PLAY PARK & TIDAL POOL AND LAW ENFORCEMENT
	The contents of this submission are noted and the proposals on the particular tariffs have been considered . The substantial increase of 63.5% on property rates in respect of vacant erven/undeveloped land as from 1 July 2013, was considered amongst other factors, by the Budget Steering Committee, in the final determination of the proposed property rates tariff structure. Although the rate of increases in property rates has lagged in the past years and therefore had to be adjusted, it is regarded as a fair and responsible decision to exclude undeveloped land from an increase as from 1 July 2014, based on the previous hike as mentioned, also taking into account that availability charges are applicable on undeveloped land as well.								
4	**STANFORD BELASTINGBETALERS VERENIGING (OKKIE SMUTS LAERSKOOL KOSHUIS)**	**MR R. D BROOM**	26-Apr-14	RELIEF ON TARIFFS (AS A RESULT OF SCHOOL'S BUDGET DEFICIT)	RELIEF ON TARIFFS (AS A RESULT OF SCHOOL'S BUDGET DEFICIT)				
	When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. The most beneficial option in terms of the approved tariffs has been approved for the school, with specific reference to the hostel facility.								
5	**STANFORD LANDBOU VERENIGING**	**MR IL TERBLANCHE**			SEWER VACUUM TAKER SERVICE OUTSIDE RESIDENTIAL AREA. OBJECTION AGAINST SE9C6 &SE9C7 (HOUR & KM TARIFF)				
	Input costs for these services were taken into account to ensure that the tariff is cost reflective. In this instance, the tariff relates to the costs to render the particular service outside the residential area.								

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
6	**HERMANUS RATEPAYERS ASSOCIATION**	**MR B STANWAY**	14-Apr-14						EFFIENCIENCY &PRODUCTIVITY IMPROVEMENTS, HPP'S TOP SLICE FUNDING SPENT OPTIMALLY, CDB REVITALISATION INVESTIGATION
	The contents of this submission is noted. Spending of funds by Hermanus Public Protection must be audited annually in terms of relevant legislation. The following projects have been completed by the Municipality in terms of the implementation of the "Renewal, Conservation and Development of the Hermanus Central Business Area" plan: 1. Cliff Tops Upgrade (amphitheatre, cliff path, parking) 2. Upgrade Gearings Point (parking, landscaping, whale watching point) 3. Upgrade Market Square (stalls, parking, public toilets) 4. Construct Relief Road 5. Develop the Station Commercial Precinct: Phase I (Checkers) and Phase II (Woolworths) - including additional parking 6. Marine Drive parking upgrade - parking and sidewalk The following projects are outstanding: 1. Redevelop the parking area behind Jet Stores (old Woolworths) - planning completed 2. Redevelop the Hermanus Taxi Rank - no funding available at present 3. Pedestrianise Main Road - in discussions with the Dept. of Transport to de-proclaim the road.								
7	**INDIVIDUAL**	**MR P VAN ZYL**	08-Apr-14				15 % INCREASE UNREASONABLE		HISTORIC DECISIONS RELATING TO TARIFFS, COST STRUCTURES, SPENDING ON LIBRARIES, VACANT POST STRATEGY AND LOCAL ECONOMIC DEVELOPMENT SUGGESTIONS
	The contents of this submission is noted and management will ensure that suggestions received will be revisited in order to ensure that all viable options are explored.								
8	**INDIVIDUAL**	**MR D OOSTHUIZEN**	16-Apr-14	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	HIGH INCREASE IN SALARY BUDGET	HIGH INCREASE IN CONTRACTED SERVICES
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of our biggest complaints relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of the agenda item. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency.								

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
9	**INDIVIDUAL**	**MR P HENDRIKSZ**	21-Apr-14	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE	YEAR ON YEAR TARIFF INCREASE		
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class.								
10	**TUSCAN VILLAS HUISEIENAARSVERENIGING**	**DR CJ VAN VUUREN**	30-Apr-14	REQUEST TO CONSIDER TO WAIVE BASIC CHARGE FOR WATER & SEWERAGE CHARGES FOR HOA					
	The contents of this submission is noted. The tariffs for the various services are structured to ensure financial sustainability of the Municipality. The Home Owners Association will be advised of options available to them in terms of the approved tariffs, which will entail consideration amongst residents of this development.								
11	**KLEINMOND BELASTINGBETALERS VERENIGING**	**MR JW VAN STADEN**	28-Apr-14	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	OBJECTION AGAINST ALL TARIFF INCREASES	HIGH REMUNERATION PACKAGES FOR SENIOR MANAGEMENT & COUNCILLORS	DEFICIT ON IE BUDGET & DECREASE IN CAPEX
	The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February we did explain in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of the biggest concerns relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of the agenda item. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency.								
12	**INDIVIDUAL**	**MR P LOUW**	28-Apr-14				OBJECTION AGAINST RATES INCREASE	HIGH REMUNERATION PACKAGES FOR SENIOR MANAGEMENT & COUNCILLORS	

COMMENTS ON DRAFT 2014/2015 BUDGET

#	ORGANISATION	COMMENTS BY:	DATE	WATER & ELEC	SEWERAGE	REFUSE REMOVAL	PROPERTY RATES	REMUNERATION	OTHER (SPECIFIED)
	1 We believe that costs in services have been cut to the bare minimum. For example, the increase in the repairs and maintenance amounts to 4,7%. In deciding on the rate increases we did ensure that we take care of the middle class by increasing our service tariffs by 6%. At the OMAF meeting in February it was explained in detail why we had to increase property rates by 15% and also showed how these increases will benefit the middle class. Regarding salaries, it was pointed out that all employees, excluding the municipal manager and the directors receive increases in terms of a national agreement between SALGA and the trade unions. Salary increases of councillors are determined by the Minister and again the municipality has no discretion in this regard. It seems that one of the biggest concerns relate to the salaries of the Municipal Manager and the directors. These salaries as a matter of interest is equal to 3,3% of total salaries. The recommendation of Messrs Work Dynamics (Pty) Ltd, although they are a private company, does compare the salaries of people with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. Although there had been budgeted for a 7% increase, the result of the aforementioned recommendations are an average increase of 6,25% - thus a saving of R62 435, as reflected under paragraph 6.3, Table 3 of the agenda item. Even if they were not to be given any increases it would have only affected the budgeted expenses by ,07%. We do however realise that we need to look seriously at the staff compliment as a whole and will attend to this as a matter of urgency. We furthermore do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape, providing similar levels of services, our rates are in line with their rates.								
13	**FYNBOS PARK**	**MR JJ HAMMAN**	22-Apr-14			OBJECTION AGAINST THE REFUSE TARIFF FOR SECTIONAL TITLE HOLDERS			
	The Refuse (Solid Waste) tariff includes the following functions: 1. Refuse collection at businesses, households and industries 2. Street cleaning 3. Cleaning of public places (beaches, taxi ranks, parks, etc.) 4. Provision, Operation and Maintenance of drop-off facilities and refuse transfer stations 5. Recycling 6. Transportation of refuse to disposal facilities 7. Provision, Operation and Maintenance of Waste Disposal Facilities 8. Administration (billing, licencing of facilities, annual audits of facilities, legal compliance, IT, HR, etc.) The objection as received is mainly addressing one element of the tariff namely the collection of refuse at sectional title units. This comprises a small part of the tariff. For the sake of uniformity, simplicity and equality, the Municipality decided to base the refuse tariff on a residential unit.								
14	**INDIVIDUAL**	**MR DC SCHOLTZ**	29-Apr-14			OBJECTION AGAINST THE REFUSE TARIFF FOR SECTIONAL TITLE HOLDERS			
	The Refuse (Solid Waste) tariff includes the following functions: 1. Refuse collection at businesses, households and industries 2. Street cleaning 3. Cleaning of public places (beaches, taxi ranks, parks, etc.) 4. Provision, Operation and Maintenance of drop-off facilities and refuse transfer stations 5. Recycling 6. Transportation of refuse to disposal facilities 7. Provision, Operation and Maintenance of Waste Disposal Facilities 8. Administration (billing, licencing of facilities, annual audits of facilities, legal compliance, IT, HR, etc.) The objection as received is mainly addressing one element of the tariff namely the collection of refuse at sectional title units. This comprises a small part of the tariff. For the sake of uniformity, simplicity and equality, the Municipality decided to base the refuse tariff on a residential unit.								

PRINGLE BAY RATEPAYERS' ASSOCIATION
PRINGLEBAAI BELASTINGBETALERSVERENIGING
SARS Reg. # 9101/138/16/3
Kindly address all correspondence to PO Box 409, Pringle Bay 7196
Geliewe alle korrespondensie te rig aan Posbus 409, Pringlebaai 7196
www.pringlebayratepayers.co.za

27 April 2014

Director of Finance
Overstrand Municipality

2014/2015 Draft Budget Submissions

The Draft Budget for the Overstrand Municipality for 2014/2015 states that 'Encouragement of structured community participation in the matters of the municipality is now a strategic objective'.
In line with that statement we, as representatives of the Pringle Bay community, have been invited to submit our proposals for consideration and inclusion in the final budget We welcome this development in that involvement in the Municipal budgeting process will give us the opportunity to respond more effectively to the challenge of managing the peculiar set of characteristics and priorities associated with the unique interface between the natural and human environments encountered in Pringle Bay.
The outcomes and benefits of the process could be considerable. The objectives we envisage are set out below:

1. Objectives

1.1 Short term

- To identify and prioritise the maintenance and development needs of Pringle Bay and ensure that these priorities are reflected in budgeted activities and expenditures
- To ensure that a level of infrastructure and services is provided that meets the needs of residents and also enhances the attractiveness of Pringle Bay to potential permanent residents and holiday visitors
- To ensure that budget requests and provisions accurately reflect the needs of Pringle Bay and are realistic in terms both of the village's contribution to municipal income and in the context of the overall financial constraints under which the Municipality operates (note: to date we have received no information on our contribution to municipal income; until we do we cannot assess what constitutes a 'realistic' request)
- To establish effective and ongoing collaboration and communication between Municipality and the Pringle Bay community and its representative bodies in

respect of both planning and execution of plans. This will lead to better planning, more effective and economic use of resources and a better understanding and relationship between Pringle Bay ratepayers and Municipality

1.2 Longer term

- To ensure that development in Pringle Bay contributes to achieving the larger strategic objectives laid down in the Municipality's Strategic Plan
- To ensure that the natural habitat of the area, with its unique flora and fauna is preserved
- To ensure that human development does not lead to environmental degradation of any sort

2. Needs and priorities:

There is a perception amongst our ratepayers that, in the Budgeting process, the Municipality's planners adopt a 'one size fits all' approach and assume that services appropriate to Hermanus and other towns in the Municipality are universally appropriate. This perception may or may not be the actual case. We need to establish however, that some of the priorities and needs of the village are different from those of the developed urban areas and to ensure that those differences are reflected in budgeted provisions for the maintenance and development of amenities and services in Pringle Bay.

2.1 Roads and storm water

We do not need or require street lighting or universal tarring of our roads but we do need road upgrades.

- There has been considerable development in recent years with very little attention given to problematic roads and sidewalks. We appreciate the grading and maintenance that is done but believe that ongoing costs could be reduced considerably by improving storm water drainage and upgrading critical areas.
- The un-tarred section of Buffels road is a recurring hazard. Provision should be made to complete tarring this road, which takes heavy traffic including construction vehicles.
- Provision of pathways along sections of busy roads. The intermingling of pedestrian and motor traffic along parts of Hangklip road is quite horrific in holiday periods. Families going to the beach from the Point Road area have to play dodgems with heavy traffic from people taking boats to the Maas Bay slipway and frenzied crayfishing around the coast.
- We attach below a municipal report prepared in 2013 which details recommended upgrades. It should be noted that where attention has been given to proper gravelling of steep slopes (e.g. top of Point road) with open trench drainage there were no wash-a ways during the recent flooding. We were given an indication through the Ward 10 committee that funds would be made available

over the next three years to implement the recommendations of this report. However the draft budget does not make provision for this. If the money is to be provided from operational funds we need to see a commitment to execute the plan.

2.2 Conservancy issues, beach maintenance and repair

- The beach at Pringle Bay is a key asset and attraction for both permanent residents and seasonal visitors. Access routes to the beach were severely damaged by the storms of November 2013 and are in urgent need of repair before the winter rains cause more damage.

3. Law Enforcement.

We require enforcement of by laws appropriate to the Pringle Bay conservancy. There was no patrolling or law enforcement during the previous holiday period. We received many complaints from visitors and residents. Examples of letters were provided to the mayor. We are pleased to report that there have recently been improved patrols.

Particular issues are as follows:

- No control of dogs on the beach. This affects breeding oystercatchers and the excrement causes offence; particularly during peak seasons when there are many children playing on the beach

- Excess use of alcohol on the beach on peak season holidays

- Light pollution. There is no pro-active enforcement of building regulations and inconsiderate exposure of lights spoils the conservancy environment for everyone.

- Noise pollution. There is no control over property owners who regularly rent their premises to noisy weekenders

4. Conclusion

Two years of considerable increase in domestic rates unaccompanied by any significant attention to the basic problems and infrastructural development needs of the village have left many ratepayers with a sense of neglect and aggrievement. We trust that this opportunity to present our needs and priorities will lead to a better mutual understanding and to the evolution of a process for ensuring:

- That provisions made for the needs of small communities such as ours are not lost in 'general provisions' in the Annual Budget, but are specifically identified with cost provisions.

- That agreed items are followed up with action plans assigning responsibilities, both municipal and in terms of village representatives, and time frames to ensure that budget provisions and good intentions are turned into concrete action and results

Pringle Bay Ratepayers Association

A. Thacker

From: Ben Solomon
To: Santie Reyneke
Date: 4/4/2014 8:24 AM
Subject: Fwd: RE: Draft Budget 2014/2015

Hallo Santie,
Hierdie kommentaar moet asb op die hersiening van die begroting bespreek word.
Groete
Ben
>>> "Villa Anadia HOA" <vahoa.sandbaai@gmail.com> 4/4/2014 8:18 AM >>>
Dear Mr Solomon

Thank you for your reply.

I have looked at all of the proposed Tariffs related to electricity, sewage, refuse and water in the draft budget. There are quite a few tariffs that appear to apply to work that is outsourced by the Municipality and the proposed increase in these tariffs is generally in the range of 6% to 10 %. It therefore seems strange that Tariff W6A1 alone should be subject to a proposed increase of nearly 90%. This particular Tariff should be reviewed against increases in line with prevailing inflation rates applied to labour and material costs and the proposed increase adapted accordingly.

Regards

Alan Morrison
for Villa Anadia Home Owners Association
P.O. Box 1421
Hermanus 7200

Cell 082 370 8839

-----Original Message-----
From: Ben Solomon [mailto:bsolomon@overstrand.gov.za]
Sent: Thursday, April 3, 2014 8:44
To: vahoa.sandbaai@gmail.com
Cc: Elsabe Stadler; Santie Reyneke
Subject: Re: Draft Budget 2014/2015

Dear Sir,
We are now mostly using contractors to install water meters and this is the cost of the contractor. We did not include our overheads when we did the work ourselves.
Is it not possible for you to request for this work to be done before 30 June in order to get the work done at the current price?
Regards
Ben

KLEINBAAI BELASTINGBETALERS- EN INWONERS VERENIGING

Steenbokstraat 46
Kleinbaai
GANSBAAI
7220

21 April 2014

Munisipale Bestuurder (Mnr C C Groenewald)
Overstrand Munisipaliteit
Posbus 29
HERMANUS
7200

KONSEP-BEGROTING 2014/2015

Die Kleinbaai Belastingbetalersvereniging wil graag hiermee ons dank uitspreek vir die inligtingssessie ten opsigte van die konsep-begrotging vir die 2014/2015 boekjaar wat op 16 April 2014 te Gansbaai gehou is. Ons waardeer dit dat groot pogings aangewend is om verhogings op tariewe, ens, te beperk. Die gemiddelde verhoging van ±8,5% is wel hoog, maar ons beskou dit nie as onbillik nie. Ons is egter van mening dat:

1. 'n Groot aantal van ons inwoners is pensionarisse en die groot verhogings maak dit vir ons onbekostigbaar om hier te bly;
2. Die verhoging van 15% op eiendomsbelasting op eiendomme met verbeteringe is onbillik. Slegs grondeienaars met verbeteringe op moet nou instaan vir tekorte in die begroting . Ons versoek dat alle tariewe met dieselfde persentasie verhoog sodat almal help bydra.
3. Die nie-verhoging van eiendomsbelasting op onbeboude erwe is nie regverdig nie. In die meeste gevalle is oorhoofse dienste reeds ingesit. Teerstrate word onderhou, straatligte brand daar en sypaadjies word gesny. Ons is van mening dat daar wel 'n persentasie verhoging moet wees. Dit kan minder wees, maar dat hulle ook 'n bydrae maak. Sodoende kan die ekstra inkomste help om tekorte aan te suiwer.
4. Diverse tariewe Kleinbaai Sleephelling:
   By die Kleinbaai Sleephellingvergadering van 4 Maart 2014 is besluit om aan te beveel:

   a) dat die "kelp collectors" se bote ook 'n addisionele heffing met betaal nl. die tarief plus 25%. Hulle laai 6 tot 7 ton op die bote.

b) dat tarief SJ17A & B geskei word tussen "sport" en "commercial fishing"
   (i) dat "sport fishers" se tarief nie verhoog word nie; en
   (ii) dat "commercial fishing" se tarief slegs met 5% verhoog word.

Aangesien verhogings bokant inflasie en bokant die riglyne van Nasionale Tesourie voorgestel word, wil ons graag versoek dat die volgende probleme in ons area tog aandag moet geniet:

a) Gras word gesny op sypaadjies en oop ruimtes, maar bly net so lê.

b) Bossieslaners word gebruik om erwe skoon te maak. Die beleid hieroor is aangepas, maar daar is geen Bywet sodat wetstoepassers kan optree nie.

c) Vullisverwydering gedurende vakansietye miskien weer twee keer per week kan geskied, soos in die verlede.

d) Sigwater-probleem by speelpark en getypoel in Kleinbaai (enigste een).

e) Wetstoepassing ten opsigte van verkeer: Motoriste verontagsaam stopstrate asof nie bestaan en onpadwaardige bote beweeg uit sleephelling op ons paaie.

Groete

JOHAN WIESE
Voorsitter: Kleinbaai Belastingbetalers- en Inwonersvereniging

Kontakbesonderhede:
084 680 1269 (Sel)
E-pos: Johan.wiese@omail.co.za

Die Bestuurder Inkomste,
Overstrand Munisipaliteit,
Posbus 20,
Hermanus.

Die belastingbetalersvereniging
Bus 647,
Stanford,
7210.

2014-04-26

Geagte Mnr Bernard King

Insake Okkie Smuts laerskool koshuis, Stanford: Aansoek vir verlaagde heffing op elektrisiteitverbruik, water- en riooltarief.

Die koshuis by Okkie Smuts Laerskool word deur die skool bestuur. Die koshuis huisves op die stadium 51 leerders waarvan 43 n subsidie kry (Beurs genoem)
Meeste van hierdie leerders kom uit baie arm gesinne van al die etniesse groepe in die omgewing. Meeste kinders kom uit enkelouer/ disfunksionele gesinne in en om Stanford, maar ook van naburige dorpe soos Gansbaai en selfs Kaapstad, waar die ouers finansieel swaar kry. Die kinders vind hier by die koshuis 'n tuiste waar hulle eitlik as 'n gesin versorg, gevoed en kultureel deur die koshuisouers opgehef word, asook menswaardig behandel word sodat hulle met trots hulle plek in die samelewing kan volstaan.

In teenstelling van private koshuise en koshuise van skole waar kinders uit 'n meer gegoede agtergrond kom, kry die bestuur van hierdie koshuis feitlik geen finansiële bydrae van die ouers nie, bloot omdat hulle dit nie kan bekostig nie. Meeste van hierdie ouers is werkloos en/of leef op staatstoelaes wat hulle nie in staat stel om finansieel na hul kinders om te sien en koshuis- of skoolgelde te betaal nie.

Die staatsubsidie (genoem beurs) wat ontvang word vir die versorging van die leerders beloop ongeveer R18 per leerder per dag. Hierdie nominale bedrag moet gebruik word om die leerders 3x/dag te voed, hulle van huisvestig te voorsien, hulle klere en beddegoed te was en stryk, hulle soms van klere te voorsien, en vir die aankoop van toiletware soos seep, sanitêre vereistes ens.

Die Staat betaal gelukkig die koshuispersoneel se salarisse. Die Staat betaal ook die belasting op die koshuis eiendom en is veronderstel om die gebou in stand te hou. Die bestuur moet egter maar gedurig uitgawes aangaan om noodsaaklike instandhouding uit te voer wat nie deur die Departement van Openbare Dienste gedoen word nie.

Die Munisipaale dienste word egter nie deur die Staat betaal nie. Wat die watertarief betref het die Munisipaliteit die koshuis tegemoet gekom deur die wassery-gedeelte van die koshuis as 'n "nat" bedryf aan te slaan, en die res van die koshuis op 3 RUE. Elektrisiteit bly egter van die koshuis se grootste uitgawes ten spyte van maatreëls wat ingestel is om die uitgawes so laag as moontlik te hou. Die probleem ontstaan a.g.v. die munisipaliteit se beleid om alle Staatsinstansies as "besigheid" aan te slaan, met 'n (huidige) tarief van R1.40/eenheid (BTW

ingesluit). Die versoek vir 'n meer gunstige elektrisiteitstarief volg aan die einde van hierdie brief.

Nog n baie groot uitgawe is die rioolheffing, waar daar ook 'n pleidooi vir 'n meer billike tarief gemaak sal word.

Hieronder volg 'n opsomming van die koshuis se inkomste en uitgawes vir die afgelope ses maande. Formele jaarstate vir die afgelope boekjaar sal eers gedurende Mei beskikbaar wees. Dit kan dan voorsien word as u dit nodig het. Ook hierby aangeheg is n spreiblad (book1) van die uitgawes vir Februarie 2014, met 'n aanduiding van die verskil wat meer gunstige elektrisiteits-, water- en riooltariewe aan die koshuis se maandelikse uitgawe sal maak .n Tweede spreiblad (S2) waarin die invloed van ons versoek om beter tarief ens vervat word. Daarin kan die invloed van n RUE van 7 leerders per RUE gesien word.

Inkomste en uitgawestaat

Hier volg n opsomming van die beraamde jaarlikse inkomste en uitgawes van die koshuis (bereken uit die ses maande periode van Julie tot Desember 2013.)

Inkomste

51 leerders

Verwagde inkomste uit 43 beurshouers subsidie + 8 nie-beurshouers –oninbare inkomste

Verwagde inkomste	=R232854
Uitgawes	
Munisipale rekening	=R152283
Voedsel	= R208542
Skoonmaakmiddels en onderhoud	=R50000
Totaal	=R410826
Verwagde tekort	=R177972

Die tekort moet deur fondsinsamelings opgemaak word maar die bedrag is werklik te groot vir ons klein gemeenskap. Daar word nou noodwendig van baie drastiese en eintlik ongewenste stappe gebruik gemaak om kostes te bespaar – soos om leerders sommige naweke teen hulle sin weg na hulle familie te stuur waar die huislike omstandighede 'n groot negatiewe emosionele invloed op die kind kan he.

Met die agtergrond soos hierbo geskets en die inkomste en uitgawes hierbo weergegee, is dit duidelik dat daar noodwendig 'n baie groot finansiële tekort is op die jaarlikse bestuur van die koshuis ten spyte van al die pogings wat gedurig aangewend word om die boeke te laat klop.

Aangesien Munisipale dienste so 'n groot deel van die uitgawes van die koshuis is, sal 'n laer tarief op van die dienste soos elektrisiteit, water en rioolering grootliks help om die koshuis in 'n gesonder finansiële posisie te plaas.

Voorgestelde elektrisiteitstarief

Ons wil graag dan nou hiermee gebruik maak van die geleentheid om 'n vertoog tot u te rig dat die Raad 'n verlaagde tarief instel op elektrisiteitsheffing van die koshuis, in lyn met wat van

toepassing is op gesubsideerde hulpbehoewende ("indigent") huishoudings, en/of dat die tarief op die laagste vlak vasgepen bly (tans R1.01/eenheid, BTW ingesluit).

Voorgestelde watertarief
Ons versoek is dat die watertarief gehef word wat van toepassing is op gewone huishoudings. Verder meen ons dat dit billik sal wees om gebruik te maak van die formule van 7 persone per RUE . Dit sal die koshuis gemid. 8 RUE's gee .Ten spyte van heelwat hoer koste op infrastruktuur en basies sal die totale koste vir die koshuis laer wees, selfs al verval die vorige toegewing van n nat bedryf.

Voorgestelde riooltarief

Die riooltarief word tans bepaal op 90% van die watergebruik. 'n Groot hoeveelheid water wat deur die wassery gebruik word, word vir tuin-doeleindes hergebruik en nie in die rioolstelsel ingevoer nie. Verdere pogings word aangewend om ten minste 95% van die wassery se uitvloeiwater (gryswater) te herbenut. Die versoek is dus om die riooltarief op 30% van die waterverbruik aan te slaan.

Effek op munisipale inkomste

Die Februarie 2014-rekening wat vir die doeleindes van die spreiblad gebruik is, is 'n redelike weergawe van die gemiddelde maandelikse dienste wat deur die koshuis gebruik word. Indien die munisipaliteit dit sal oorweeg om die verminderde tariewe toe te staan, beteken dit 'n besparing van R2000 tot R3000 per maand afhangende van die spesefieke tariewe, en dat die koshuis dan R1.50-R2.00 per kind per dag ekstra het om hulle te voed en te versorg.

Alternatiewe voorstel

Die voorstelle wat ons hierbo maak, is n poging van ons kant om, binne die tariefstruktuur en regulasies met die inligting tot ons beskikking en soos ons dit verstaan, n verlaging in die koshuis se verpligtings tov die Munisipale rekening te vind.
Miskien is van ons aannames nie heeltemal korrek nie aangesien ons moontlik nie al die nodige inligting het nie. Ons sal dit dus verwelkom as u verkies met ons in gesprek wil tree om die situasie te bespreek, om so moontlik saam n beter oplossing vir die koshuis se probleem te vind.

Baie dankie,
Voorsitter Stanford Belastingbetalersvereniging
Bus 647,
Stanford,
7210

.....
R. D. Broom
.....

Die Senior Bestuurder ,
Finansiele dienste,
Overstrand Munisipaliteit,
Bus 20,
Hermanus,
7200

Stanford Landbouvereniging,
Posbus 92,
Stanford,
7210

Insake beswaar teen riool-vakuumtenk diens tarief buite residensiele gebied
Aandag; <u>Mnr Bernard King</u>

Die landelike gemeenskap wat beide *bona fide* boere insluit sowel as ander bewoners van die landelike gebied, buite die residensiele gebiede, is ten gunste van die Munisipale regulasies wat die beheer van rioolafval in die landelike gebied reguleer. Dit is tog per slot van rekening daarop gemik om rioolafval na beheerde rioolplase te vervoer en te verhoed dat onhigieniese toestande in die landelike areas ontstaan en ook dat besoedeling van grond en waters ontstaan deur onbeheerde storting van rioolafval
Die huidige tariefstruktuur van riooltenkdienste van die Munisipaliteit is egter so gestruktureer dat dit grondeienaars ontmoedig om van hierdie diens gebruik te maak, wat lei tot baie ongewensde gebruike.
Die heffing van beide n vervoerkoste sowel as n kilometerkoste bo die basiese vakuumtenkerheffing is in die eerste plek n duplisering en is baie ongewens en is bowendien moeilik kontroleerbaar. n Tydskoste is immers in die basiese heffing ingesluit vir residensiele bewoners., waarom nie vir landelike bewoners nie? Die argument dat die plase en hoewes verder van die diensdepot is , is nie geldig vir die Overstrand Munisipale gebied nie(in teenstelling met sommige ander Munisipaliteite waar plase dikwels baie ver van die dorpe is). So is Fisherhaven en Pearly Beach heelwat verder van die depots as meeste landelike wooneenhede. Die km tarief behoort buitendien voorsiening te maak om die addisionele kostes te dek .In alle geval is daar relatief baie minder landelike wonings en ons is nou tog deel van die nuwe munisipaliteite waarvan die grense nie meer die grens van die geproklameerde residensiele gebied is nie.

- **Ons teken hiermee beswaar aan teen die heffing van n uurlikse tarief vir riool vakuum-tenkdienste vir landelike bewoners en vra dat daar heeltemal weggedoen word daarmee.**

Die kilometer heffing wat tans vir bogenoemde diens gehef word is ons onsiens ook diskriminerend aangesien bewoners van sekere voorstede en ook die buitewyke van sekere dele van residensiele gebiede soos hierbo genoem nie hierdie heffing betaal nie.

- **Ons teken dus ook beswaar aan teen die km tarief en vra dat dit afgeskaf word.**

Ons vertrou dat u ernstige oorweging sal skenk aan ons besware.
Die uwe,
ILTerblanche
.....
Verteenwoordiger van Stanford Landbouvereniging van Wyk 11,
ilterblanche@gmail.com
0727823431

From: Nicolette Botha-Guthrie
To: CFO; Rita leroux
Date: 14-Apr-14 11:40 AM
Subject: Fwd: 2014/15 Draft Budget & Current Thinking of the Hermanus Ratepayers Association (HRA) - FYI

FYI

>>> Ratepayers Hermanus <ratepayers@hermanus.co.za> 4/11/2014 3:12 PM >>>
Dear Madam Mayor,

It was good to see you again at the Ward 3 Public Meeting on Tuesday evening in the Municipal Auditorium to discuss the 2014/15 draft budget.

I must compliment you, Cllr Ben Solomon and your senior your team on doing such a thorough job and being willing to consult so widely on the draft budget. As mentioned at the meeting our three main areas of concern are (1) ensuring ongoing efficiency and productivity improvements, (2) ensuring that HPP's top-slice funding is spent optimally, and (3) ensuring that OPEX budget exists in the new financial year to advance the CBD revitalisation investigation.

We within the HRA have also being doing some recent introspection and this podcast will provide you with a summary of some of that current thinking.....just click on.....
http://www.spreaker.com/user/wcfm96/bob-stanway-speaks-about-the-hra.

Kind regards,

Bob Stanway

CHAIRMAN

*Telephone & Fax *: + 27 28 313 1351

*Mobile * : + 27 82 557 6552
*Postal Address * : P O Box 134, Hermanus, 7200
Office Address : Whale Festival Office, Corner of Main & Patterson Streets, Hermanus, 7200
*Office Hours * : Weekdays from 9h00 - 12h00
*Website *: www.ratepayers.co.za

OMA F

From: Nicolette Botha-Guthrie
To: Rita leroux
Date: 03-Mar-14 11:06 AM
Subject: Fwd: Begroting FYI

>>> "Paul van Zyl" <paulvanzyl@telkomsa.net> 3/3/2014 10:43 AM >>>
Goeie dag Nicolette/Ben.

Hoop dit gaan goed. Hier is bietjie konstruktiewe (hoop ek) komentaar oor wat ek sien en ervaar oor die begroting vir Overstrand.

My eerste gevoel is dat dit outyds en sonder inovering is. Dit klink na "Dit is iemand anders se skuld" Ons moet dienste lewer wat eintlik iemand anders se verantwoordelikheid is. Die klasieke "I am a victim" in stede van "I am a Victor" gevalle studie.

Ek se weer wat ek voorheen genoem het. Daar is geen duidelike visie vir die Overstrand nie! Die resultaat daarvan reflekteer in die begroting. Dit het al verlede jaar begin met die strategie om vaste koste komponente te eskaleer. Verlede jaar was die vulisverwydering (hoogs onpopuler) en die elektrisiteit vaste component 22% verhoging (net so onpopuler maar die meeste mense het dit nie agtergekom nie) Die jaar wil julle erf belasting met 15% verhoog.

Die netto effek van die strategie is dat die intree koste in die omewing so hoog word dat meer mense gaan wegbly! Meer mense bly weg met die resultaat dat daar minder inkomste gegenereer word. Die perfekte analoog hiertoe het jy spesifiek genoem. Die strategie om meer sonkrag en alternatiewe energie bronne intestel maak dat mense minder krag koop en dus minder inkomste vir die munisipaliteit. Dieselfde geld vir die water voorbeeld. Julle behoort die water tariewe reeds laas jaar laer gemaak het omdat daar 'n oor aanbod is en dus so meer verbruik te stimuleer. Nou loop dit in die see!

So, wat is my voorstel.

Die Overstrand moet 'n duidelike visie en missie stelling in plek kry. Alles wat jy doen en veral jou begroting moet die visie ondersteun. Jou begrotings rede begin dus met jou visie - Wat wil jy bereik?

Wat is dan die potensiaal van die Overstrand?

1. Toerisme

2. Toerisme

3. Toerisme

Goed, toerisme is beslis belangrik, maar daar is ander belangrike aspekte waaraan aandag gegee moet word en in die visie van die streek ingebou moet word.

Hier is 'n paar voorbeelde:

1. Sport. Die streek het alles om die sport mekka van die provinsie te word. Ongelukkig het ons 'n ¼ klaar sport sentrum.... Die feit dat die Stormers elke jaar hulle jaarlikse oefenkamp hier kom hou spreek boekdele. Maar die lys van sporte is te veel om te noem. Atletiek, swem, Lugsweef, fietsry, bander ry, ens ens ens Dit is alles hier

2. Skole. Die streek kan die skole kapitaal van die weskaap word. Die dorp leen hom daartoe. Die feit dat Curo reeds 'n skool hier gebou het is 'n uitstekende geleentheid en die uiters suksesvolle staat skole in die dorp skep verder groot geleenthede.

3. Dienste. Daar is vele geleenthde vir profesionele dienste om vanuit die dorp gelewer te kan word. Daar is ook 'n oormaat intelektuele vermoe in die dorp. Daarvoor het ons egter die grooste bandwydte Internet stelsel in die weskaap nodig, en 'n paar ander inovasies wat dit aandie gang kan sit.

4. Kunste. Hier is legio geleenthede

5. Mikro Nywerhede. Hier is daar ook vele geleenthede

6. Makro nywerhede, Abagold et all. Daar is 'n "groen" komponent in die area wat alles wat nie gras en blomme is nie eerder nie in die omgewing te wil sien nie. Daar is beslis 'n tekort aan 'n gebalanseerde opinie ivm met sulke aangeleenthede soos Eskom kern kragstasie. Daar behoort werk gemaak te word om sulke investering in die area te kry.

Laastens, die besparings maatreels is natuurlik goed, maar is dit effektief? Ek glo nie dat daar die vermoe in die Overtrand is om effektief na ons koste strukture te kyk en dit inoverend en effektief af te bestuur nie. Die dorp en sy mense is oor die algemeen te tradisioneel. Voorbeeld, hoekom moet ons R 3 mil aan biblioteke spandeer? Wie trek hieruit voordeel? Die Internet is hier, biblioteke is dood. Dit is slegs 'n koste met geen voordele nie.

Om nie poste te vul nie is "edel" maar werklik swak strategie. Uitkontraktering is netso riskant. As die kontrakteur dit teen 'n wins kan doen, hoekom kan jy dit nie self doen nie? Dit is eenvoudig 'n teken van swak administrasie en leierskap. Dis 'n malike uitweg en rugraatloos. Vrae wat gevra moet word is of die organisasie gerat is om dienste te lewer? Hoe lyk die strukture? Word tegnologie korrek gebruik? Word dienslewering gemeet en prestasie beoordeling gedoen?

Hoop die epos is 'n katalis vir nuwe denke en jul ervaar dit nie as negatiewe kritiek nie. Ek is beskikbaar as jul meer gedagtes wil ruil.

Groete

Paul van Zyl

Cell 083 272 4186

CFO - Fwd: Kommentaar op 2014/2015 konsep begroting

From: CFO
To: daanoosthuizen@telkomsa.net
Date: 17-Apr-14 1:20 PM
Subject: Fwd: Kommentaar op 2014/2015 konsep begroting
CC: Ben Solomon; Coenie Groenewald; Nicolette Botha-Guthrie; Pieter Scholtz
Attachments: Kommentaar op konsepbegroting 2014 2015.doc; Opsomming 2014 2015 begroting opsomming.xls

Geagte Mnr Oosthuizen

U skriftelike kommunikasie gedateer 16 April 2014, verwys.

Alle kommentare en bydraes met betrekking tot die Konsepbegroting 2014/2015, soos in die Overstrand Munisipale Raad ter tafel gelê op 20 Maart 2014, sal vir die finale Begrotingsverslag aan die Raad gedurende Mei 2014, oorweeg word.

Vriendelike groete / Kind regards,

Sa › Reyneke-Naude
Direkteur: Finansies / Director: Finance
Overstrand Munisipaliteit / Municipality
Tel : 028 313 8040
Faks / Fax : 028 313 8128
Sel / Mobile : 082 551 4499
E-pos/E-mail: cfo@overstrand.gov.za

>>> Ben Solomon 17-Apr-14 12:53 PM >>>

>>> "Daan Oosthuizen" <daanoosthuizen@telkomsa.net> 4/16/2014 9:57 PM >>>
Geagte Nicolette, Pieter en Ben,

Aangeheg is my kommentaar op die 2014/2015 konsep begroting. Ek het so 'n paar veranderings aan my kommentaar gemaak wat ek reeds vir u deurgegee gegee het. Ek heg ook 'n begroting opsomming vir die 6 finansiële jare, waar ek 2009/2010 as basis jaar gebruik en die vyf daaropvolgende jare tot en met die .4/2015 konsep begroting, hierby aan. Ek gaan dit ook aan die administrasie deurstuur as 'n beswaar teen hoë jaar op jaar tarief stygings oor die afgelope vier jaar en ook die voorgestelde konsep begroting. Meer as dubbel VPI-inflasie.

My beswaar gaan hoofsaaklik oor die buitengewoon hoë jaar op jaar styging in personeel uitgawes en gekontrakteerde dienste, wat dan in die vorm van tariefverhogings aan die belastingbetaler deurgegee was en ook voorgestel word vir 2014/2015.

Ek vertrou dat die munisipaliteit ernstig sal oorweeg om personeeluitgawes drasties te besnoei, al beteken dit "retrenchment" en of herstrukturering oefening.

Groete,

Daan Oosthuizen,

Posbus 841,

Gansbaai.

7220.

Tel 028 384 3777

Sel 084 584 3777

Faks na epos 086 660 8286

epos daanoosthuizen@telkomsa.net

OVERSTRAND MUNISIPALITEIT

KONSEPBEGROTING VIR JAAR 2014 – 2015

1. **Tarief verhogings jaar op jaar 2013/2014 na 2014/2015 jaar**
   Individuele tarief verhogings styg 15% vir eiendomsbelasting, ± 7.8% vir elektrisiteit (6% vir beskikbaarheid fooi en 8.2% vir die kWh verbruik) en 6% vir ander verbruikers dienste naamlik water, vullis verwydering en riool. Die infrastruktuur heffing styg nie. Die styging in tariewe vir 'n medium verbruik huishouding (waardasie R2 500 000, 800kWh elektrisiteit en 25kl water verbruik.) verhoog met gemiddeld 8.76%. Dit terwyl die jongste verbruikers prys indeks vir die jaar geëindig Februarie 2014 slegs 5.92% is.
   Meeste van die diverse tariewe, ander dan die gewone residensiële tariewe, styg ook 10% in die begrotingsjaar wat ook uit die belastingbetaler se sak kom. Daarom is die styging vir die deursnee belastingbetaler hoër as die 8.76% gemiddelde styging hierbo genoem.
2. **Samegestelde tarief verhogings oor die vyf laaste jaar van 2009/2010 tot 2014/2015**
   Om die samegestelde tarief verhoging vergelykings te doen gebruik ek 'n medium verbruik huishouding volgens Overstrand Munisipaliteit mandjie van tariewe.
   Die vyf jaar se jaar op jaar verhogings is egter 'n baie meer somber prentjie. Die styging in tariewe vir 'n medium verbruik huishouding (waardasie R2 500 000, 800kWh elektrisiteit en 25kl water verbruik.) verhoog met gemiddeld 12.2% jaar op jaar oor die laaste vyf jaar. Dit terwyl die verbruikers prys indeks oor dieselfde 5 jaar gemiddeld 5.5% jaar op jaar gestyg het.
   'n Gemiddelde huishouding het in die 2009/2010 jaar R1624.75 per maand vir sy dienste betaal en nou vyf jaar later R2892.41 per maand vir presies dieselfde dienste. Dit is 'n 78.0% styging. Sou die 2009/2010 se R1624.75 gemiddeld met die VPI indeks gestyg het, sou die belastingbetaler in die 2014/2015 jaar R2119.52 per maand vir dieselfde dienste betaal het, wat 'n 30.46% styging is. Dit is R772.89 laer as die werklike styging van tariewe.
   Die salarisse van die gewone man op straat en ook pensionarisse se maandelikse pensioen verhoog elke jaar met VPI en in uiterste gevalle VPI +1 wat 6.5% is terwyl Overstrand Munisipaliteit se gemiddelde tarief verhoging 12.2% is. Overstrand Munisipaliteit se gemiddelde personeel koste per amptenaar se verhoging oor die 5 jaar periode is 12.4% per amptenaar per jaar.

Uitgawes

- Personeeluitgawes styg van R157miljoen in 2009/10 na R281miljoen in die 2014/15 begrotingsjaar. Dit is 'n styging van R124miljoen of 79% en 'n jaar op jaar styging oor die 5 jaar periode van 12.3% per jaar. Dit is meer as 2 maal VPI-inflasie oor die tydperk. Die werklike aantal personeellede het met 1 personeellid gedaal van 1037 (raadslede uitgesluit) in 2009/2010 tot 1036 (raadslede uitgesluit) in 2014/2015. Die gemiddelde koste per personeellid het van R151 248 per amptenaar per jaar in 2009/10 gestyg na R270 940 per amptenaar per jaar in 2014/2015. In 2009/10 was personeelkoste 28.2% van totale bedryfsuitgawes en het gegroei tot 32.3% van totale bedryfsuitgawes in die begrotingsjaar. Die groei van 28.2% na 32.3% in randwaarde verteenwoordig ± R35.6miljoen. Dit beteken dat personeeluitgawes baie hoër groei toon as ander bedryfsuitgawes, en dit is nie as gevolg van groei in aantal personeellede nie, want laasgenoemde het geen groei oor die vyf jaar getoon nie. Inteendeel die amptenaar korps , raadslede uitgesluit, was 1037 in 2009/10 en is 1036 in die 2014/2015 begrotingsjaar.
  Die volgende veranderings van 2009/10 tot 2014/15 het in die mengsel van beroepe plaasgevind. Tabel SA24.
    - Munisipale bestuurder en senior bestuurders bly op 7
    - Ander bestuurders neem toe met 28 personeellede van 21 na 49.
    - Tegnikuste neem af met 28 personeellede van 231 na 203.
    - Klerke neem af met 14 personeellede van 191 na 177
    - Diens en verkoopspersoneel neem toe met 5 personeellede van 46 na 51
    - Masjien en ander operateurs neem af met 23 personeellede van 46 na 23
    - Ander elementêre beroepe neem toe met 23 personeellede van 451 na 474

OVERSTRAND MUNISIPALITEIT - Tabel A1 begroting opsomming oor vyf jaar

TABEL A1	2009/2010 ja Geouditeerde Resultaat R Duisende	2010/2011 jaar Geouditeerde Resultaat R Duisende	2011/2012 jaar Geouditeerde Resultaat R Duisende	2012/2013 jaar Geouditeerde Resultaat R Duisende	2013/ jaar Vol jaar Skatting R Duisende	2014/2015 jaar Konsep Begroting R Duisende	% Verhoging 2013/2014 jaar na 2014/2015 jaar	% Verhoging die afgelope 5 jaar	Samegestelde jaar op jaar % verhoging oor 5 Jaar
INKOMSTE									
Eiendomsbelasting	122,751	129,591	109,838	117,235	127,921	149,690	17.02%	21.95%	4.0%
Dienste heffings	292,634	344,977	405,415	437,030	493,840	525,567	6.42%	79.60%	12.4%
Beleggings inkomste	3,806	3,705	6,881	7,553	7,018	6,166	-12.14%	62.01%	10.1%
Operasionele oordragte	51,476	58,384	38,005	41,680	70,101	59,724	-14.80%	16.02%	3.0%
Ander inkomste	61,281	70,633	37,343	91,507	44,483	44,544	0.14%	-27.31%	-6.2%
Totale bedryfsinkomste voor kapitaal oordragte	531,948	607,290	597,482	695,005	743,363	785,691	5.69%	47.70%	8.1%
UITGAWES									
Personeel verwante koste	156,844	187,333	207,938	231,527	252,454	280,694	11.19%	78.96%	12.3%
Raadslede vergoeding	4,530	4,840	6,717	7,084	7,978	8,516	6.74%	87.99%	13.5%
Waardevermindering	101,260	106,777	104,041	105,280	102,070	109,265	7.05%	7.91%	1.5%
Finansieringskoste	19,295	19,373	31,727	37,310	42,292	44,535	5.30%	130.81%	18.2%
Materiaal & grootmaat aankope	78,006	159,923	181,251	157,458	171,645	186,739	8.79%	139.39%	19.1%
Oordragte en toekennings	11,818	23,620	28,454	35,856	39,217	41,370	5.49%	250.06%	28.5%
Ander uitgawes	183,720	141,335	182,397	172,399	212,733	198,308	-6.78%	7.94%	1.5%
Totaal bedryfsuitgawes	555,473	643,201	742,525	746,914	828,389	869,427	4.95%	56.52%	9.4%
Oorskot / (Tekort)	-23,525	-35,911	-145,043	-51,909	-85,026	-83,736	-1.52%	255.94%	28.9%
Grootmaat aankope volgens tabel SA 1	78,006	101,683	126,669	145,022	156,893	169,444	8.00%	117.22%	16.8%
Materiaal aankope	-	58,240	54,582	12,436	14,752	17,295	17.24%		
Totaal Grootmaat en materiaal aankope volgens Tabel A1	78,006	159,923	181,251	157,458	171,645	186,739	8.79%	139.39%	19.1%
Kapitaal Uitgawes	115,310	154,117	163,275	143,764	126,482	92,972	-26.49%	-19.37%	-4.2%
Kontant en kontant beleggings einde vanjaar	20,461	70,004	126,699	84,147	84,406	88,050	4.32%	330.33%	33.9%
Werklike aantal amptenare Tabel SA 24 - raadslede uitgesluit	1,037	1,012	1,001	1,017	1,036	1,036	0.00%	-0.10%	0.0%
Personeelkoste as persentasie van totale uitgawes	28.2%	29.1%	28.0%	31.0%	30.5%	32.3%	5.94%	14.34%	2.7%
Gemiddelde personeel koste per amptenaar per jaar	R 151,248	R 185,112	R 207,730	R 227,657	R 243,681	R 270,940	11.19%	79.14%	12.4%
Aantal raadslede Tabel SA 24	19	19	25	25	25	25	0.00%	31.58%	5.6%
Gemiddelde raadslid salaris per jaar	R 238,421	R 254,737	R 268,680	R 283,360	R 319,120	R 340,640	6.74%	42.87%	7.4%
Belasting en dienste heffing medium verbruik huishouding	R 1,625	R 1,869	R 2,174	R 2,450	R 2,660	R 2,892	8.76%	78.02%	12.2%

From: Nicolette Botha-Guthrie
To: CFO
CC: Rita leroux
Date: 23-Apr-14 8:16 AM
Subject: Fwd: Begroting 2014/2015 - FYI
Attachments: F14-15 CPI Houshold bill.xlsx

FYI
Ontvangs is reeds erken.
Elize

>>> Petrus Hendriksz <petrushendriksz@gmail.com> 4/21/2014 1:18 PM >>>
Middag Nicolette,

Hoop dit gaan nog goed ten spyte van die druk agv die begroting.

Ek is realisties om te besef dat daar nie wesenlike verskille aan die finale begroting aangebring kan word nie, so sien hierdie meer as 'n manier om d,m,v. 'n grafiek te probeer aandui wat die frustasie by die publiek is wanneer dit kom by Munisipale tariewe.

Aanvanklik het ek gedink my berekeninge is foutief maar ek het dit oor en oor getoets. Persoonlik was ek verbaas oor die impak van die verhoging in die tariewe die afgelope jare maar ongelukkig is dit wat die man in die strate aan sy sak voel. Daarom vertstaan ek die ongelukkigheid by hulle.

Wanneer mens na tariewe (of te wel pryse) kyk moet jy dit met iets vergelyk. Ek het 2010/2011 as my basisjaar gebruik en gaan kyk wat met inflasie gebeur het en hoe ons tariewe verhoog het. Inflasie het kumulatief toegeneem van 0% in my basisjaar tot 23,5% in die begrotingsjaar 2014/2015. Ek was redelik geskok om te sien dat Munisipale tariewe toegeneem het van 0% in die basisjaar tot 53,2% in hierdie begrotingsjaar, meer as dubbel die groei in inflasie.

Ek reken nie dat ons die publiek kan kwalik neem wanneer hulle oor die bekostigbaarheid van die tariewe en toenemende armoede in die dorp praat nie.

Ek heg hierby aan 'n spreadsheet met al my berekeninge. Jy sal opmerk dat my berekeninge gebaseer is op 'n eiendom met waarde van R1,000,000, waterverbruik van 30kl en kragverbriuk van 1,000 kWh per maand. Indien jy wil kyk wat die impak op ander waardes het kan jy net die syfers wat ek in blou gemerk het verander en dit sal outomaties alles herbereken en die grafiek aanpas.

My eerlike opinie is dat daar ernstig gekyk moet word na 'n omkeer strategie wat te laat is vir hierdie begroting.

Groete

Petrus

CFO - Re: KONSEPBEGROTING 2014/15

From: CFO
To: nolscjv@telkomsa.net
Date: 5/1/2014 3:21 PM
Subject: Re: KONSEPBEGROTING 2014/15

Beste Mnr van Vuuren

Ek erken hiermee ontvangs van u skriftelike kommunikasie gedateer 30 April 2014.

Alle kommentare/bydraes/versoeke met betrekking tot die Konsepbegroting 2014/2015, soos in die Overstrand Munisipale Raad ter tafel gelê op 20 Maart 2014, sal binnekort vir die finale Begrotingsverslag aan die Raad gedurende Mei 2014, oorweeg word.

Vriendelike groete / Kind regards,

Santie Reyneke-Naude
Direkteur: Finansies / Director: Finance
Overstrand Munisipaliteit / Municipality
Tel : 028 313 8040
Faks / Fax : 028 313 8128
Sel / Mobile : 082 551 4499
E-pos/E-mail: cfo@overstrand.gov.za

>>> <nolscjv@telkomsa.net> 4/30/2014 6:48 PM >>>
Meneer,

Ek heg 'n versoek aan vir u aandag.

C J van Vuuren

Tusva Villas Huiseienarsvereniging
p/a Dr C J van Vuuren
Tuscan Villas 1
Tuscan Slot 1
ONRUSRIVIER
7201

30 April 2014

Die Munisipale Bestuurder
(Vir aandag: Direkteur van Finansies)
Overstrand Munisipaliteit
Magnoliastraat
HERMANUS
7201

Meneer

KONSEPBEGROTING 2014/15

Ek verwys na u advertensie in die openbare pers waarin inwoners genooi word om kommentaar te lewer op die Konsepbegroting 2014/15.

Die Tuscan Villas Huiseienaarsvereniging versoek u om oorweging te skenk aan die volgende situasie:

Die Tuscan Villas kompleks bestaan uit 17 wooneenhede elk met voltitel en elk met sy individuele verbruikersrekening met die Munisipaliteit.

Die Grondwet van die Tuscan Villas Huiseienaarsvereniging (soos goedgekeur deur die Munisipaliteit) maak egter daarvoor voorsiening dat die Huiseienaarsvereniging die geregistreerde eienaar van die gemeenskaplike eiendom is – in hierdie geval is dit slegs die interne pad, toegangshek, stoorkamer/toilet (wat nie by die Munisipaliteit se waternetwerk aangesluit is nie) en 'n vullisstoringsarea.

Die ontwikkelaar het aanvanklik aansoek gedoen by die Munisipaliteit vir 'n deeltitel ontwikkeling, wat deur die Munisipaliteit goedgekeur was; daarna het hy aansoek gedoen vir die omskakeling van 'n deeltitel ontwikkeling na 'n voltitel ontwikkeling wat ook deur die Munisipeliteit goedgekeur is. As deel van sy aanvanklike aansoek is 'n grootmaat watermeter geïnstalleer maar die lesing daarvan word nie geneem nie op grond van die wonings se individuele aansluitings aan die Munisipaliteit se netwerk.

Die Huiseienaarsvereniging het by die Munisipaliteit aansoek gedoen dat die toilet in die stoorkamer/toilet aan die Munisipaliteit se network gekoppel word. Die toilet sal slegs een keer per week deur die vereniging se tuinhulp gebruik word.

Indien die aansluiting ooreenkomstig die huidige en voorgestelde tariewe gedoen word gaan dit die vereniging 'n groot klomp geld uit die sak jaag wat betref die basese heffings vir beide

water en riool en dit om een toilet een dag per week (maksimum 80 liter water per maand), te gebruik.

Die vereniging versoek u om dit asseblief te oorweeg om u tariewe so aan te pas dat, ten opsigte van die aansluiting van die toilet by die Munisipale waternetwerk, die vereniging van die betaling van die maandelikse basiese heffing vir water en riool kwytgeskeld word.

Ons sal dit waardeer indien u ons versoek gunstig sal oorweeg.

Groete,

Dr C J van Vuuren
Voorsitter: Tuscan Villas Huiseienaarsvereniging

KLEINMOND BELASTINGBETALERSVERENIGING
KLEINMOND RATEPAYERS ASSOCIATION

Posbus 134, Kleinmond, 7195.
Voorsitter: Jan-Willem van Staden. 028 271 4281 / 082 887 6466
Vonkpos: staden@kingsley.co.za
Sekretaris: Jannie Viljoen. 028 271 5958 / 084 589 7444
Vonkpos: janniev100@gmail.com
VOORKEUR KORRESPONDENSIE WYSE is 'n Skrywe na BEIDE bostaande Epos-adresse.

Die Burgemeester
Overstrand Munisipaliteit
HERMANUS

28 April 2014

Geagte Mevrou,

KONSEP BEGROTING 2014/15

Met verwysing na die Konsep Begroting wat tans onder bespreking is, net die volgende:

Die KLEINMOND BELASTINGBETALERSVERENIGING maak ten sterkste beswaar teen alle verhogings in die Konsep Begroting bo die Nasionale Tesourie se riglyn van 6%!

Die verhoging van 15% in Erfbelasting is verregaande en behoort hersien te word.

Ons het nog steeds 'n ernstige probleem met die buitensporige salarisse van Raadslede en Top Bestuur! Na ons mening is die doel van die Nasionale Wetgewing met betrekking tot die salaris pakette van munisipale amptenary nie die alfa en omega nie. Dit is slegs 'n riglyn wat die maksimum voordele bepaal. Amptenare kan dus enige tyd 'n verhoging van minder as die maksimum ontvang en dan steeds in ooreenstemming met die perke van die Wet sowel as tot voordeel van die Belastingbetalers optree. U en u raad het wat ons aan betref die diskresionêre magte om hierna om te sien.

Dit is ook vir ons nodig om ons ernstige kommer uit te spreek ten opsigte van die tekort op die Inkomste en Uitgawe Begroting sowel as die afname in die Kapitaal Begroting. Raadslid Solomon het wel op die onlangse Inligtingsvergadering genoem dat die tekort in die Inkomste en Uitgawe Begroting die gevolg is van waardevermindering en dus net 'n boekinskrywing is. Wat gebeur as die items wat deur hierdie afskrywing geraak word vervang moet word? Waar gaan die geld dan vandaan kom om hierdie items te vervang gesien in die afskaling van Kapitaal uitgawes?

Verder vind ons dit uiters kommerwekkend dat die munisipaliteit onder andere in tabel 2 op Bladsy 4 die historiese syfers vir 2011/12 en 2012/13 nie ooreenstem met die syfers soos uiteengesit in die Begroting van 2013/14 nie. Dit is totaal en al ongehoord en onaanvaarbaar!!

Ons is verder van mening dat die sogenaamde Hersiene Begrotings deur die munisipaliteit gebruik word om oorspandering te regverdig. Ons versoek dus dat die munisipaliteit binne die riglyne van die oorspronklik goedgekeurde Begroting sal hou en nie hierdie instrument sal gebruik om hulle swak Finansiële disipline te verberg nie!

Die skielike weglating van inligting soos byvoorbeeld die ouderdoms analise van uitstaande skuld is nog 'n punt waaroor ons baie sterk voel. Die Belastingbetalers word gedwing om die verbruikers wat nie vir dienste betaal nie te subsidieer en daarom het hulle die reg om te weet wat aan die invordering van skuld vir dienste gedoen word. Waarom sou u skielik besluit het om hierdie inligting van die Belastingbetalers te weerhou? Hoe kan hierdie belangrike inkomstebron behoorlik bestuur word sonder inligting?

Op die gemelde inligtingsvergadering het 'n lid van die Top Bestuur daarop gewys dat sekere berekenings wat ten opsigte van salarisse gemaak is, foutief is. Hierdie berekenings is gemaak op sterkte van syfers soos dit in die Konsep Begroting vervat is. Die korrekte syfers kon nie deur hierdie Amptenaar uit die Begroting aangehaal word nie. Die feit dat so iets kon gebeur skep wantroue in die verklaarde beginsel van die OM om deursigtig tewees.Ons versoek u vriendelik om hierdie inligting sonder versuim aan die Belastingbetalers bekend te maak!

In die lig van die voorafgaande het ons dus geen ander keuse as om ten sterkste beswaar aan te teken teen die voorgestelde Konsep Begroting nie! Die Konsep Begroting word in sy geheel as onsinnig verwerp!

Ten slotte sal ons graag wil weet of daar genoeg beskikbare kantoorruimte by die hoofkantoor in Hermanus bestaan om die gesentraliseerde funksies soos Stadsbeplanning te huisves. Indien daar weer verdere kantoorruimte geskep moet word, moet daar ernstig besin word oor die kostedoeltreffendheid van so 'n besparingsmaatreël.

Ons vertrou dat u 'n daadwerklike poging sal aanwend om die nodige regstellings te doen!

Die uwe

JW VAN STADEN
Voorsitter.

VOORKEUR KORRESPONDENSIE WYSE in 'n skrywe (PDF-Lêer) na BEIDE
staden@kingsley.co.za en janniev100@gmail.com

Elize
Neem na Sarie se
Kantoor oor.
29/4/2014

Nicolette Botha-Guthrie - Budget 2014/15

From: "Piet Louw"
To: "'Nicolette Botha-Guthrie'"
Date: 4/28/2014 08:21 PM
Subject: Budget 2014/15
CC:

Dear Madam Mayor,

Thank you for affording your time for a discussion with Petrus Hendrickz and me – it was insightful and pleasing.

Further to these discussions I confirm the following:

1. The 15% increase in rates is most definitely not affordable and not in line with the guidelines put out by Treasury. A reduction in line with inflation to 6% is therefore strongly recommended. (My arguments in this regard are well documented)
2. In line with Local Government: Municipal Systems Act 32 of 2000 Government Notice 225 as published in the Government Gazette of 29 March 2014 a moratorium should be placed on increases of senior management (directors) until such time as their salaries are in line with the upper limits per the regulations.
3. Similarly Councilors have received an increase of some 12.62% in 2013/14 and another budgeted 6.74% in 2014/15 is excessive. No increases for Councilors should be budgeted for in 2014/15.

It is extremely important for the Budget Evaluation Committee to consider the consequences of their decision on the poor and vulnerable that does not have any capacity to balance their budget in order for the municipality balance theirs. The domino effect of these increases on businesses should also be considered especially in view of the large increases they had to absorb in recent years as a result of electricity deposits and other structural increases. It could be counterproductive and result in reduction of employee numbers adding to unemployment.

I refer you to an article in Moneyweb during the past week which addresses the problem of municipalities not adhering to Treasury's directives. http://today.moneyweb.co.za/article.php?id=740215&cid=2014-04-25#.U1ox6Fet--U

I trust that good sense shall prevail.

Furthermore, a matter of great concern is the resolution taken on 20 December 2010 whereby contracts of directors have been extended until their retirement age. Should there be a change in power sometime in the future there is a real possibility that the municipality (read rate payers) will have to pay "unwanted" directors out for the period until retirement. The contingent liability, to the best of my knowledge, is not reflected in the annual financial statements. Council needs to reflect on how they can revert back to 5 year contracts to avoid unintended consequences from this resolution.

As Nelson Mandela so wisely summed it up: "A good head and a good heart are always a formidable combination."

I look forward to some wisdom from the Budget Evaluation Committee.

Kind Regards,

Piet Louw

19 Stormvoel Crescent, Vermont 7201
P.O.Box 778, Hermanus 7200
Telephone: 028-316-2995/0824474458
e-mail: louwp@wol.co.za

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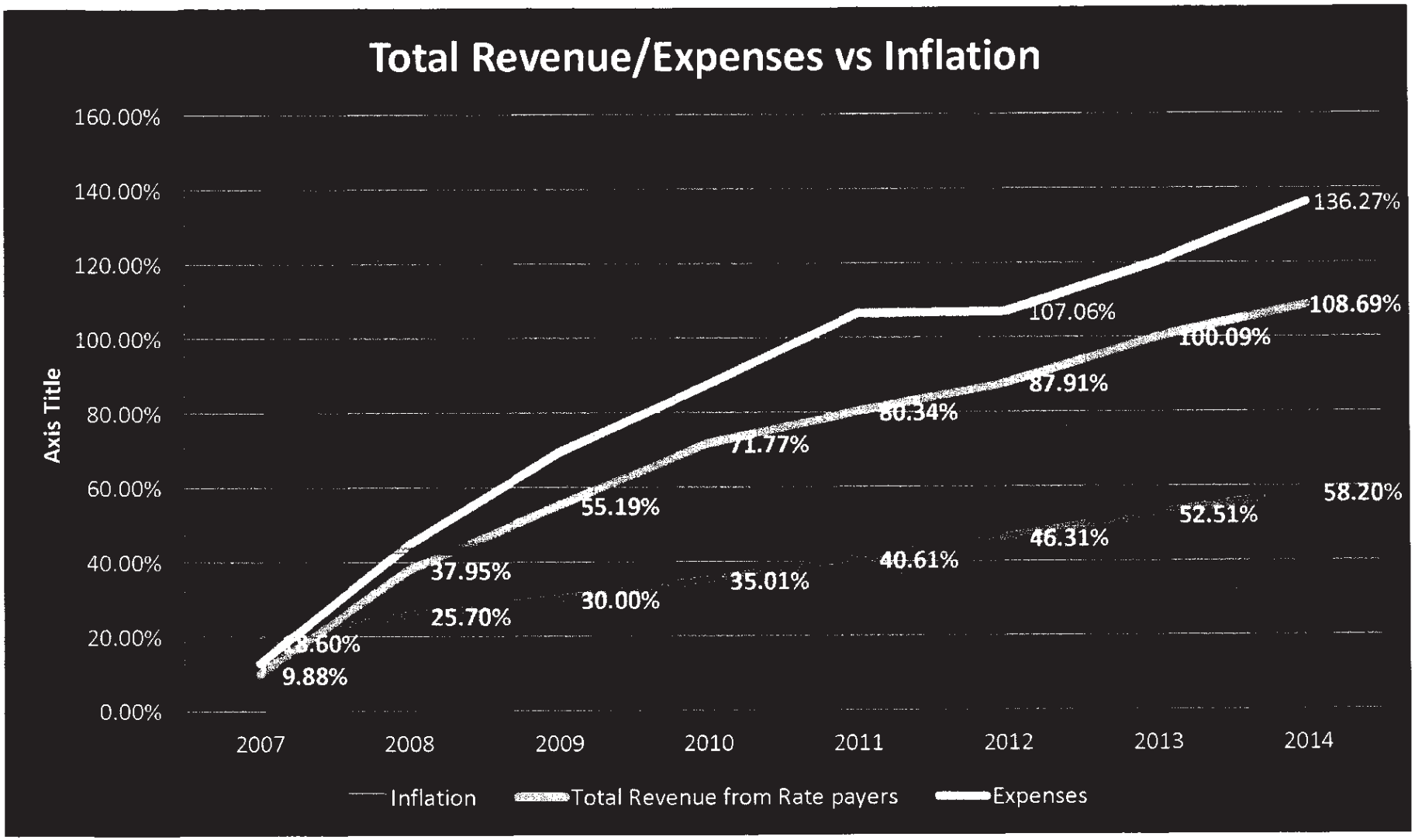
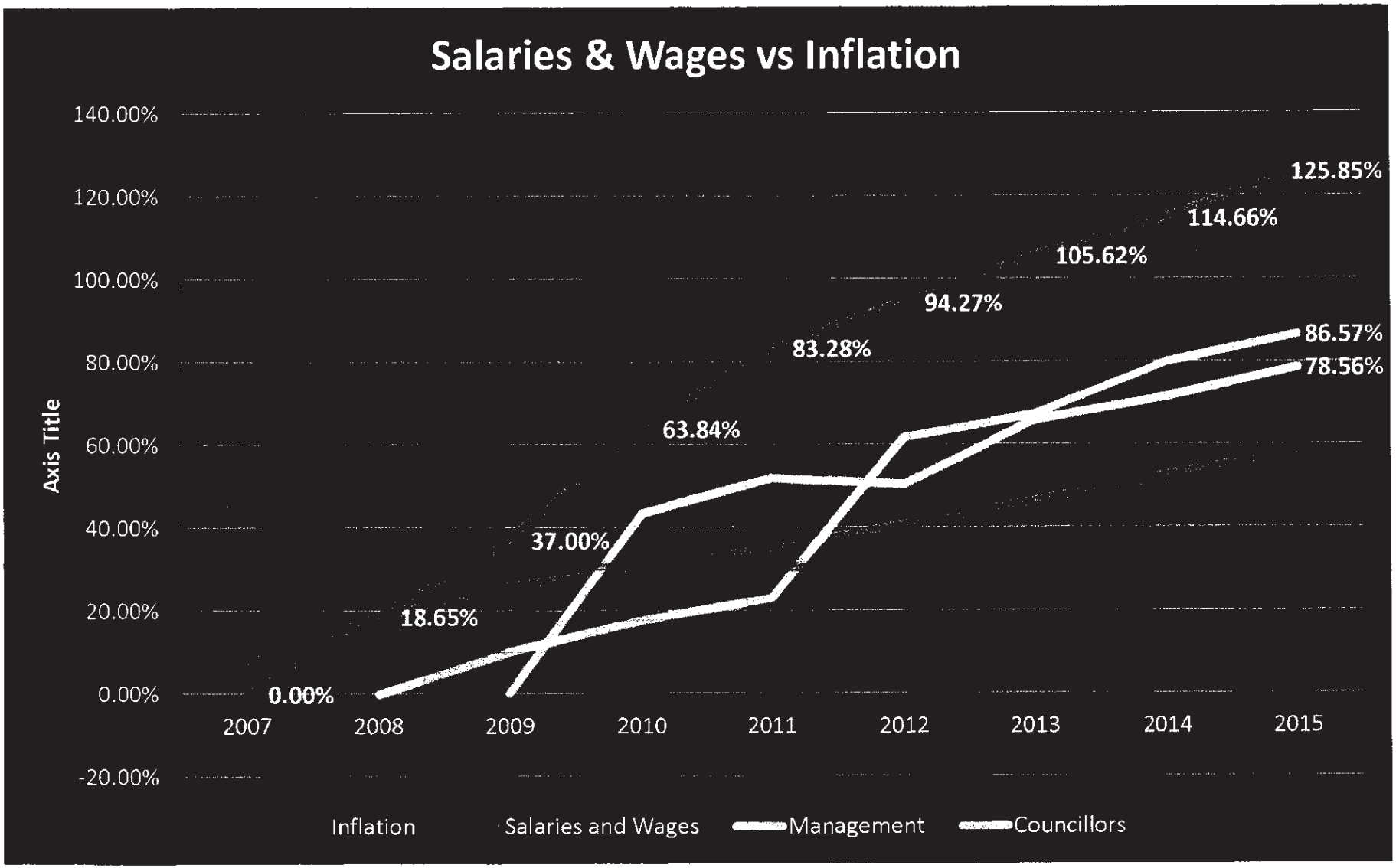
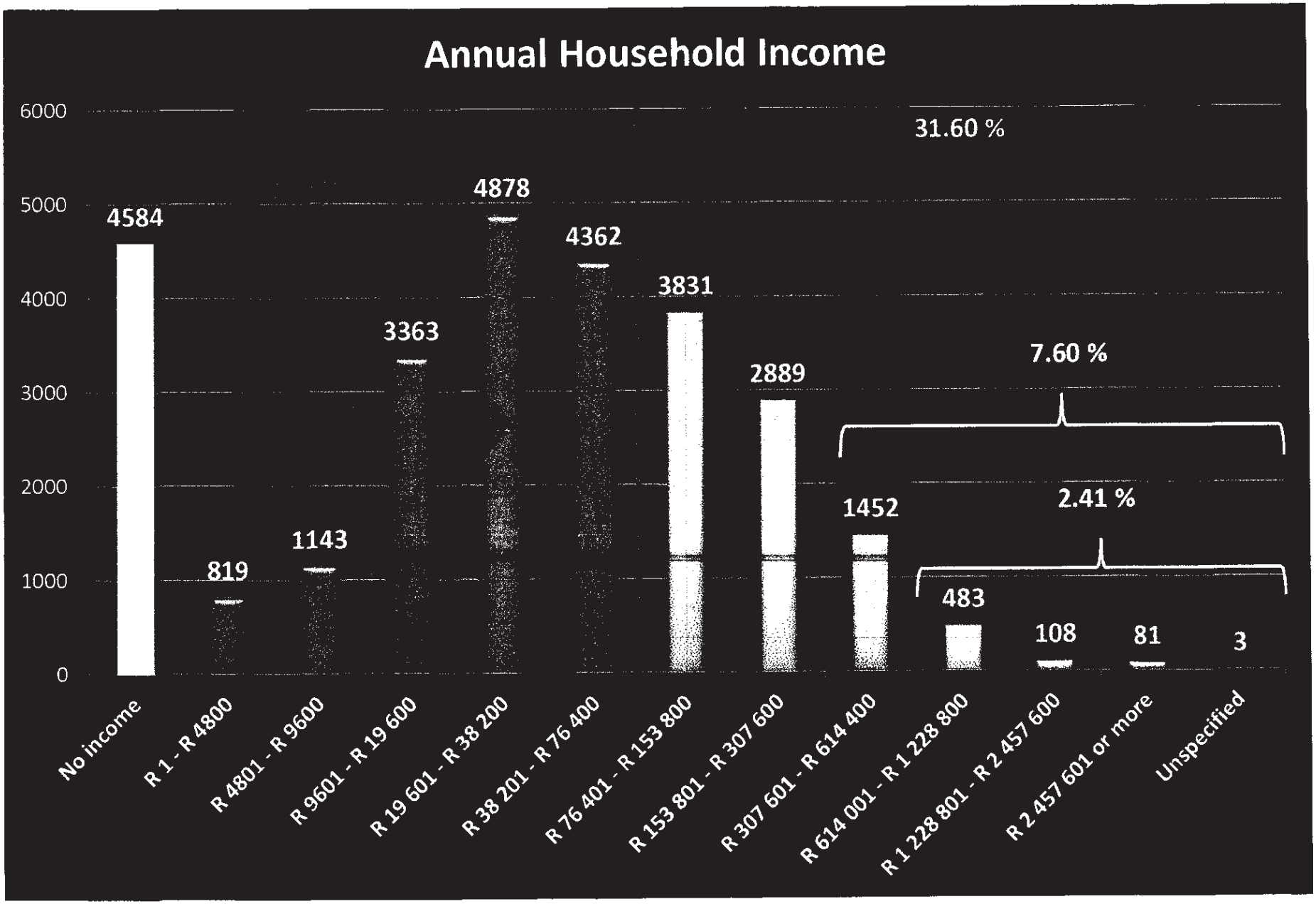
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2009-2014
Property Rates	72226	82429	117037	115676	129590	109838	117235	127921	149690	9.30%
Electricity	82712	89194	112779	147488	183552	224950	247521	284936	310085	152.65%
Water	41210	43810	53853	74725	74099	83755	85498	93142	95897	72.96%
Sanitation	25960	29106	32056	36078	50381	57212	57223	62827	63455	95.99%
Refuse	24635	26594	31512	33117	36945	39498	46788	52934	56130	67.98%
Total Revenue from Rate payers	246743	271133	347237	407084	474567	515253	554265	621760	675257	79.06%
Services	174517	188704	230200	291408	344977	405415	437030	493839	525567	114.53%
	70.73%	69.60%	66.29%	71.58%	72.69%	78.68%	78.85%	79.43%	77.83%	
Expenditure (excl Depreciation)	244708	276194	364004	454213	536424	638484	641634	726319	842581	99.54%
Salaries & Wages	88058	104485	123649	156844	187333	207919	231527	252454	280694	104.17%
Management Salaries			4705	6747	7320	7210	8324	8793	9416	86.89%
Councilors Salaries	3882	3874	4271	4596	4840	6717	7084	7978	8516	86.79%
Total Management & Councilors	91940	108359	132625	168187	199493	221846	246935	269225	298626	
Finance Charges			7527	19283	19373	31727	37310	42292	44535	461.87%
Contracted Services			11746	14464	20412	24079	67601	76844	80439	554.21%
Consultant Fees					0	10766	9367	12856	12856	
Borrowing		43731	103133	171488	247081	341204	364654	391789	411766	
Repayment					9442	14295	13554	21783	21061	
Capital Budget		159653	174209	115310	154117	163275	139617	77825	92972	1,076,978
Salaries & Wages - head count		877	924	1063	1050	1012	1024	1043	1043	12.88%
Management Salaries			4	7	7	7	7	7	7	
Councilors Salaries		5	5	5			7	7	7	
Total Management & Councilors										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2009-2014
Year on Year Increases										
Inflation Rate (Dec to Dec)	7.57%	9.35%	6.04%	3.37%	6.41%	5.71%	5.30%			
Inflation Rate (Average)	7.10%	11.50%	7.10%	4.30%	5.01%	5.60%	5.70%			6.49%
Revenue										
Property Rates		14.13%	41.99%	-1.16%	12.03%	-15.24%	6.73%	9.12%	17.02%	8.91%
Electricity		7.84%	26.44%	30.78%	24.45%	22.55%	10.03%	15.12%	8.83%	21.56%
Water		6.31%	22.92%	38.76%	-0.84%	13.03%	2.08%	8.94%	2.96%	14.15%
Sanitation		12.12%	10.14%	12.55%	39.64%	13.56%	0.02%	9.79%	1.00%	14.28%
Refuse		7.95%	18.49%	5.09%	11.56%	6.91%	18.46%	13.14%	6.04%	12.27%
Total Revenue from Rate payers		9.88%	28.07%	17.24%	16.58%	8.57%	7.57%	12.18%	8.60%	15.03%
Services		8.13%	21.99%	26.59%	18.38%	17.52%	7.80%	13.00%	6.42%	17.55%
Expenses										
Head Count -Actual			5.36%	15.04%	-1.22%	-3.62%	1.19%	1.86%	0.00%	3.10%
Total Expenditure		12.87%	31.79%	24.78%	18.10%	19.03%	0.49%	13.20%	16.01%	17.90%
Salaries & Wages		18.65%	18.34%	26.85%	19.44%	10.99%	11.35%	9.04%	11.19%	16.00%
Management Salaries	0	0.00%	0.00%	43.40%	8.49%	-1.50%	15.45%	5.63%	7.09%	11.91%
Councilors Salaries		-0.21%	10.25%	7.61%	5.31%	38.78%	5.46%	12.62%	6.74%	13.34%
Total Management & Councilors										
Borrowing/Capital Expenditure										
Borrowing			135.83%	66.28%	44.08%	38.09%	6.87%	7.44%	5.10%	49.77%
Capital Expenditure			9.12%	-33.81%	33.65%	5.94%	-14.49%	-44.26%	19.46%	-7.31%
										Sal + Consult+Contract
As Percentage of Revenue										
Expenses	99.18%	101.87%	104.83%	111.58%	113.03%	123.92%	115.76%	116.82%	124.78%	
Salaries	35.69%	38.54%	35.61%	38.53%	39.47%	40.35%	41.77%	40.60%	41.57%	54.88%
Management Salaries	0.00%	0.00%	1.35%	1.66%	1.54%	1.40%	1.50%	1.41%	1.39%	
Finance Charges	0.00%	0.00%	2.17%	4.74%	4.08%	6.16%	6.73%	6.80%	6.60%	
Contracted Services	0.00%	0.00%	3.38%	3.55%	4.30%	4.67%	12.20%	12.36%	11.91%	
Consultant Fees	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	1.69%	2.07%	1.90%	


Total Revenue/Expenses vs Inflation
160.00%
140.00%
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
Axis Title
2007
2008
2009
2010
2011
2012
2013
2014
136.27%
108.69%
107.06%
100.09%
87.91%
80.34%
71.77%
58.20%
55.19%
52.51%
46.31%
40.61%
37.95%
35.01%
30.00%
25.70%
9.88%
Inflation
Total Revenue from Rate payers
Expenses


Salaries & Wages vs Inflation
140.00%
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
-20.00%
Axis Title
2007
2008
2009
2010
2011
2012
2013
2014
2015
0.00%
18.65%
37.00%
63.84%
83.28%
94.27%
105.62%
114.66%
125.85%
78.56%
86.57%
Inflation
Salaries and Wages
Management
Councillors


Annual Household Income
6000
5000
4000
3000
2000
1000
0
4584
819
1143
3363
4878
4362
3831
2889
1452
483
108
81
3
31.60 %
7.60 %
2.41 %
No income
R 1 - R 4800
R 4801 - R 9600
R 9601 - R 19 600
R 19 601 - R 38 200
R 38 201 - R 76 400
R 76 401 - R 153 800
R 153 801 - R 307 600
R 307 601 - R 614 400
R 614 001 - R 1 228 800
R 1 228 801 - R 2 457 600
R 2 457 601 or more
Unspecified

Nicolette Botha-Guthrie - Letter to the Mayor: Budget 2014/2015

From: "Piet Louw"
To: "'Nicolette Botha-Guthrie'"
Date: 4/23/2014 08:50 AM
Subject: Letter to the Mayor: Budget 2014/2015

Dear Madam Mayor,

My concerns raised on the Overstrand Municipality's budget proposals at the Ward 13 Meeting held on Tuesday, 15 April 2014 refer.

I write this in the hope that we can together and rationally deliberate outside the public domain my (and others') concerns about the proposed budget of the Overstrand Municipality for 2014/15. That is my first choice to try and resolve the issues and I will obviously have to consider other options if this approach appears to be ineffective.

There are two matters that I would like to state upfront:

Firstly, I wish to apologise if I misused the available time at the Ward Meeting to make my point. In all fairness, when I asked whether I may speak, permission was granted but no time limit was specified.

Secondly, I want to record my dismay with the manner in which this so called "public participation" meeting was conducted by its office bearers. It was with typical old National Party mentality and *kragdadigheid* that first, the credibility of my information was attacked, and then my person. In the same vein I also believe that the manner in which Mr. Jurie Hamman's legitimate and reasonable comments and questions were handled was appalling and most unbecoming of a democratic and participative forum.

One cannot but help to recall the wisdom of Margaret Thatcher :" *I always cheer up immensely if an attack is particularly wounding because I think, well, if they attack one personally, it means they have not a single political argument left.*"

Having recorded these two issues, I would like to summarise my concerns, some of which I could raise at the meeting and some not, about the current state of affairs of our municipality and, in particular, with reference to the 20014/25 draft budget. I repeat that I do so in the hope of igniting rational deliberations between us (and others who are equally concerned) to work together towards a sustainable future for Hermanus.

My impression at the meeting was that the municipality did not care to listen or respond to the merits of the arguments presented. The reaction was rather to respond by lashing out from a public platform in a highhanded, infantile, petulant, arrogant, vindictive and destructive manner, attacking those that questioned, and failing to present a credible and compelling counter argument. More importantly, they failed to engage the questioners in mature and rational discussion.

The municipality may not like my arguments and I may not present their information through rose tinted glasses or in a way that support their political spin. Yet, I have the undeniable right to do that, to get satisfactory answers and to inform the public of the facts from a perspective that is not necessarily convenient for the interests of the politicians or bureaucrats.

Everything I have said at the meeting was based on facts drawn from the municipality's Draft Budget 2014/2015 or previous year's budgets and/or Financial Statements. Economic data were obtained from reliable sources such as SA Stats, SA Reserve Bank or Quantum.

The prime source of information for the financial analysis of any organisation or business is the Balance Sheet, Income Statement and Cash Flow Statement. Common cause is that management is being measured on what is reflected in these documents.

I maintain that the Overstrand Municipality is living above its means and that of the ratepayers. We are a small "Toyota" sized municipality, but we run it on a budget of a Mercedes Benz with a management team salaried for Ferraris.

I am sure we can provide the same quality of services to ratepayers with a leaner and focused municipality.

What is shocking is that while the ratepayers and businesses had to weather the worst recession in recent history and tightening their belts, Overstrand Municipality let their belts out by quite a few notches. It is shameful and it is there for everyone to see.

In times like these, what a mature and caring municipality should have done is to lead from the front and enforce their own austerity measures in solidarity with its ratepayers.

The middle class (and the poor) is systematically being impoverished by increases in their daily cost of living of which rates and services have become disproportionately high. Pensioners, comprising 12% of our population, are some of those being hardest hit and, again - I find that Mr. Hamman's plea on behalf of some very old and vulnerable people were dealt with in a callous, unsympathetic and vindictive manner.

What needs to be understood is that the beauty of Hermanus is what visitors see and fall in love with. The privileged and rich don't care much about costs because they can afford it. But the underbelly of Overstrand is one of hardship, poverty and unemployment which make up the majority of the population. Budgets drawn up by Overstrand Municipality should take cognisance of the affordability of services to this sector of the population which includes the old and vulnerable.

It would however appear that as long as the Municipality's budget is balanced there is no concern of how ratepayers are supposed to balance their budgets – many of whom haven't seen a salary/income increase in years.

The Budget 2014/2015 is undeniably unaffordable to a large section of the population given the pace at which rates and tariffs have increased over the past 5 years. The budget could be labelled as pro-rich.

Just as an example - to try and motivate the obscene salaries of directors on basis that it is based

on PE Consulting's recommendations (which are private sector based) is absurd. How do you justify a small municipality with one of the smallest GVA, middle of the pack population and a budget of under R1b to have salaries which according to a recent survey showed to be amongst the top 20 in the country? More so, how do you justify it given the demographics and socio-economic profile of the Overstrand?

To further argue that management earns their high salaries 'because they work very hard' lacks any intellectual insight in the determination of executive salaries.

With respect, you are trying to defend the indefensible. Elementary benchmarking and applying your minds would indicate that such salaries are not "market related" nor affordable.

In a nutshell - Overstrand Municipality is in serious financial difficulties in need of serious structural changes if it is to survive. It will not go away by being in denial. You cannot expect to turn to hard-pressed ratepayers to 'balance your books' every time something goes wrong. And you (and Eskom) cannot on the one hand ask ratepayers to save (water and electricity) and then punish them because you are not reaching your revenue targets. There comes a point when they will revolt and revolt they will.

A clean audit report is not something to be praised and publicised, it is the minimum standard that is expected from salaried employees. And a clean audit report does not necessarily reflect good and prudent financial management.

How can you justify a 15% increase in rates while voting a ±7% increase for management and Councilors? It is immoral and indefensible given that your ratepayer base is essentially poor.

I will venture to speculate that OM has the highest or one of the highest increases in rates in the country.

If there was a quid pro quo, which there isn't, the 15% increase would have been an ideal opportunity to reach a wider footprint of ratepayers. Because it was badly handled, the opportunity to make something good out of it has passed.

To paraphrase from a column written in the Sunday Times by Redi Thlabi:

> *Who can criticise the Overstrand Municipality? Can its ratepayers do so in the fullest confidence that the criticism does not invalidate their love for the Overstrand (and more particular Hermanus), but actually demonstrates it.*

My agenda is simple. I speak for myself, the poor, the old the vulnerable and those who do not have the knowledge and capability to fully understand the consequences of the actions of politicians and officials. I subscribe to the fundamental principle of transparency and open communication.

I have no political ambitions.

I love Hermanus.

Attacking my person will not make me go away, but will strengthen my resolve to find a solution to the problems facing Overstrand through whatever means there are available.

Thank you. I await your response.

Yours sincerely,

Piet Louw

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SM

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22 April 2014

Mr S Müller
Director: Infrastructure and Planning
Overstrand Municipality
HERMANUS 7200
(By Hand)

Dear Director Müller,

SUBMISSION IN TERMS of PUBLIC PARTICIPATION PROCESS: OM 2014-2015 BUDGET REQUEST for CHANGE in REFUSE POLICY

This submission is made on behalf of Fynbos Park and the 17 Body Corporate representing more than 900 Sectional Title Owners. We specifically request that the policy be reversed to the previous policy of tariff per Wheeley Bin collected by OM.

We believe the new refuse policy implemented with last year's budget (2013-2014) is illogical, against the stipulations of the **"Municipal Systems Act, No 32 of 2000"** and that it created a flawed outcome that caused unnecessary hardship.

All previous correspondence to OM in this regard stands. The basic issues and arguments are set out in "Annexure A". I also include "Annexure B", as submitted to the Executive Mayor during the current Budget preparation cycle/process for internal OM discussion purposes.

I trust we can move the debate forward during our meeting today.

Yours faithfully

JJ Hamman 22/04/2014

TRUSTEE: Administration and Finance
Fynbos Park Body Corporate
juriehamma@gmail.com
082-45-333-26

ANNEXURE A: Calculation on Standard OM Refuse Revenue and Expenditure.
ANNEXURE B: Logical step by step explanation of objection.
ANNEXURE C: Main objections to refuse removal tariff policy.

OBJECTION AGAINST WASTE MANAGEMENT POLICY IN FIGURES

Based on Draft Budget 2013/14 Table 17 (Standard Classification)

BUDGET TOTAL	**R' 000**
OM Revenue:	**53,020**
OM Expenditure:	**- 48,760 (92% of Revenue)**
OM Surplus on Refuse:	**= 4,260 (8% of Revenue)**
OM Revenue (Tariff) 1 Bin:	**R140.00/month (Refer to Annexure B, Draft Budget)**
OM Expenditure on 1 Bin:	**R128.75/month (92%)**
OM Surplus on 1 Bin:	**R 11.25/month (8%)**

EFFECT on FYNBOS PARK

OM Revenue on 148 Bins:	**R 20,720/month (19 Real+129 Virtual= 148 Bins X R140)**
OM Expenditure 19 Bins:	**- R 2,446/month (19 Bins collected X R128.75/Bin)**
OM Surplus on 148 Bins:	**= R 18,274/month (Effect of new policy)**
OM Surplus on 148 Bins:	**R219,285/year**
Surplus on 129 Virtual Bins:	**R216,720/year* (129 X R140 X 12: Zero Expenditure)**
Surplus on 19 Real Bins:	**R 2,565/year (19 Bins collected: X R11.25/Bin Surplus)**
OM Surplus on 148 Bins:	**R219,285/year**

Based on Draft Budget 2014/15 Table 17 (Standard Classification)

BUDGET TOTAL	**R' 000**
OM Revenue:	**59,691**
OM Expenditure:	**- 55,645 (93,3% of Revenue)**
OM Surplus on Refuse:	**= 4,046 (6,7% of Revenue)**
OM Revenue (Tariff) 1 Bin:	**R148.40/month (Refer to Annexure B, Draft Budget)**
OM Expenditure on 1 Bin:	**R138.45/month (92%)**
OM Surplus on 1 Bin:	**R 9.95/month (8%)**

EFFECT on FYNBOS PARK

OM Revenue on 148 Bins:	**R 21,963/month (19 Real+129 Virtual=148 Bins X R148.40)**
OM Expenditure 19 Bins:	**- R 2,631/month (19 Bins collected X R138.45/Bin)**
OM Surplus on 148 Bins:	**= R 19,332/month (Effect of new policy 2014/15 Draft)**
OM Surplus on 148 Bins:	**R231,984/year**
Surplus on 129 Virtual Bins:	**R229,723/year (129 X R148.40 X 12: Zero Expenditure)**
Surplus on 19 Real Bins:	**R 2,269/year (19 Bins collected: X R9.95/Bin surplus)**
OM Surplus on 148 Bins:	**R231,992/year**

In 2 years, OM collected R219,285+R231,992 = R451,277 @ no cost to OM.

***The surplus of per year is created solely by charging for virtual bins that do not exist and cannot be serviced. It is the effective outcome of the 2013/14 policy that is again in the 2014/2015 draft budget.**

The above figures and calculations prove conclusively that OM does not comply to the Municipal Systems Act, No 32 of 2000, 74(2)(b):-

*"The amount individual users **pay** for services should be in **proportion** to their **use** of that service"*

THE SOLUTION:

Go back to old policy and charge per volume = 240 litre Wheeley Bin
Charge 129-00 X 13,1% X 6.0% = R154.65/Wheeley Bin for 2014/15 budget year.

LOGICAL STEP-BY-STEP EXPLANATION of OUR OBJECTION

1. We accept that the "Municipal Systems Act, No 32 of 2000" must be complied with. It implies that all OM's policies must comply with the Act.

2. The principle that a service must pay for itself is sound and accepted. It implies that OM must recover its costs for Solid Waste Management (refuse removal and processing).

3. After all the sums, the end effect should make sense and if not, the sums, arguments and policy should be re-examined for flaws. It specifically does **not** mean one must "juggle" the interpretations to suit one's own particular desire. This principle is applicable to OM, Fynbos Park and every OM ratepayer. We accept this principle.

4. Any budget and policy change must be subject to proper public participation. We accept the principle. ***(NOTE: We are particularly concerned about the remark Mr Ben Solomon made during the Public Meeting for Ward 13 (de Wet Hall, Onrus on 15 April 2014) as also reported in the Hermanus Times page 1: "..... ongelukkig volstaan ons by ons besluit". This implied that public participation on this subject will not be considered and are therefore of no use.)***

5. The objection against the current year's budget and policy had its roots in the 2013-2014 draft budget and policy. Therefore, the objection and arguments must be based on the 2013-2014 draft budget because the policy and budget under current consideration is a continuation of those draft policies and budget, later accepted by Council.

6. **REVENUE INCREASE CALCULATION (As per Draft Budget 2013/2014)**

Revenue 2012/13	46,792	
Increase as advertised	3,991	(8.53%)
Subtotal	50,783	
Additional Revenue	2,151	(4.6 %)
TOTAL REVENUE	52,934	(13.1%) (8.53% + 4.6%)

Fynbos Park's contribution to the R2,151 is R217 = 10,1%. This is illogical (refer to 7 below).

7. EFFECT on FYNBOS PARK OWNERS (& OTHER SECTIONAL TITLE SCHEMES)

Under the old policy up to and including June 2013, the refuse charge was charged to Body Corporates for the number of Wheeley Bins collected.

Old tariff per Wheeley Bin: R 129 per month
Old tariff: **19** Wheeley Bins: R 2,451 per month (2012/2013) Fynbos Park Body Corp
Old tariff **+ 8,53% increase: R 2,660** per month (2013/2014) Fynbos Park Body Corp
Old tariff **+ 8,53% increase: R 31,920 per year** (2013/2014) Fynbos Park Body Corp

Under the new policy the owners of "units/sections" are charged directly.

New tariff per Wheeley Bin: R 140 per month (ANNEXURE B, Draft Budget)
New tariff: **148*** Wheeley Bins: R 20,720 per month (2013/2014) Owners
New tariff: **148*** Wheeley Bins: R 248,640 **per year** (2013/2014) Owners

Effective charge per Wheeley Bin: R 1,091 per month and not R140.

OM Revenue on 129 fictitious Wheeley Bins: R 216,720 per year.

8. Municipal Systems Act, No 32 of 2000

Section 74(2) (b) states: The amount individual users **pay** for services should generally be in **proportion** to their **use** of that service.

OM is clearly in breach of this policy. The mismatch between payment and usage is based on the erroneous interpretation by OM that Full Title property and Sectional Title property are the same. It is not.

OM is still **benefitting** from the **cost** saving of rendering the **same** service to Fynbos Park of collecting the same 19 Bins but has **increased** OM revenue by **R216,720 per year** without any additional service and cost (Refer to figures in 7 above).

9. SECTIONAL TITLE ACT

Sectional Title property is governed and administered in terms of the Sectional Title Act.

The basic principle of this act is sharing of costs, both to owners and municipality.

The argument that Fynbos Park and other Sectional Title Schemes have always paid too little is spurious as it always paid for the service it received (collection of 19 Wheeley Bins).

Surely, if Sectional Title property is the same as Full Title property, a different act is unnecessary. This is not the case and OM undermines this Act, which is a National Act.

What makes the matter worse is that OM allows two dwellings per Full Title property which in effect gives a Full Title property a **50% discount**. This is clearly discrimination in terms of another part of the Municipal Systems Act.

10. CORRECT POLICY and REFUSE TARIFF

The old policy was correct and needed no change. The full OM budgeted cost could have been achieved by being satisfied with an 8,53% increase to all, resulting in a surplus of R2 million
or
if there were valid reasons to increase OM revenue with 13,1% instead of 8,53%
the tariff could have been increased for all from R129 X 13,1% = R145.90 instead of R140.

This increase would at least have been fair and equitable and legal.

The new 2014/15 tariff based on the old policy would then be R154.65 per Wheeley Bin for all instead of R148.40 per Wheeley Bin. We propose this change.

11. INCONSISTENT CLASSIFICATION

If OM treats Full Title Property and Sectional Title property as "the same", in the refuse policy, it cannot then treat them as different under the sewerage policy, whereby Full Title property is charged on 70% of water consumption and Sectional Title on 90%.

It is unreasonable to chop and change policy so that the benefits are always in favour of Full Title property as with sewerage and the 50% discount for two dwellings and the disadvantages against Sectional Title property.

MAIN OBJECTIONS TO REFUSE REMOVAL TARIFF POLICY

(As submitted to Executive Mayor on 13/01/2014 during OM budget preparation process.)

THE ANOMALY & EQUITABLE TARIFF

OSM charges for 4 main services: electricity, water, sewerage and refuse. All four are measurable in one form of another and electricity, water and sewerage are still charged in terms of usage. It is only refuse that is not charged in terms of a measurable unit, the obvious one being volume.

"Municipal Systems Act, No 32 of 2000"

The OSM Budget Documents and Policies, the Municipal Manager and even yourself quoted from the: "Municipal Systems Act, No 32 of 2000" and more specifically:

74 (2) A tariff policy must reflect at least the following principles namely that:

(a) Users of municipality services should be treated **equitably** in the application of tariffs.

(b) The amount individual users **pay** for services should generally be in **proportion** to their **use** of that service.

These provisions are clearly **applicable** to the following **4 services**:

1. electricity,
2. water,
3. sewerage and
4. refuse.

The Overstrand Municipality (OSM) quite **correctly** applied these provisions for **3** tariffs on:

1. electricity,
2. water and
3. sewerage.

All **3** the above services are measured in a **standard unit** (kilowatt and kilolitre) and the amounts payable by a user are in **proportion** to that user's **usage** of the services.

The Overstrand Municipality misinterpret and wrongly applied the above requirements on the 4th service, **refuse removal**, by:

Ignoring a user's **usage** and instead charge a flat fee on every property. Your tariff table, ANNEXURE B, for 2013/14 and 2014/15 clearly states that the R140 per month is payable per 240 litre Wheeley Bin per week and 8 Fynbos Park users/households use one Bin. **The amount individual users pay for the service is not in proportion with the use of the service, contravening section 74 (2) (b) of the Act.**

THE PERCEIVED ANOMALY vs THE REAL ANOMALY

The often quoted so-called "**anomaly**" between residential erven (Full Title) and Complexes (Fats, Sectional Title Schemes etc.) was and still is **no** anomaly. These types of properties are in law, title and nature not the same and therefore **in**equitable. By decreeing that all are the same through a definition that lumps all together, and **thereafter** apply a flat tariff, creates an anomaly **inside** the tariff which is in effect **in**equitable.

This **artificially** created anomaly and it's **in**equitable **outcome** can clearly be illustrated by:

The fact that owners of a full title erven can build two dwellings on one erven (both double story etc.), thereby getting a 50% **discount** on the tariff and **loading** the **effective** tariff of sectional title owners (and other high density developments) who are forced to share services because the intention of the Sectional Title Act and the design of the buildings are such that the Municipality cannot

render an individual service, even if it wants to. **This is a real anomaly.** In general the loading has been in multiples of hundreds of percent. (In Fynbos Park's case, **745%**). It is therefore quite clear that a policy and tariff that gives one type of property owner a 50% discount and another type of property owner a penalty of 5 to 10 times the basic tariff, is inherently **in**equitable.

The current refuse policy reminds me of the zoo-keeper who decreed that: All creatures in the zoo are animals and will henceforth be treated equitably by feeding every animal 1 kilogram of lucerne:- the lion, the elephant, the rabbit, the koedoe, the crocodile and the snake.

Further proof that OSM policy, as it now stands, **created** an anomaly is that:

Sewerage charges are based on a PERCENTAGE (%) of water usage. Suddenly and inexplicably, full title and Sectional Title properties are NOT treated the same! Fynbos Park Body Corporate being a Sectional Title Development is charged on 90% of its water usage and a Full Title property such as Tuscan Villas, where Mr CC Groenewald has a property, is charged on 70%.

It should be obvious that if Full Title and Sectional Title (including all other types of complexes) are the same and must be treated "equitably" it must always be treated equitably.

To be equatable, OM must therefore change the policy and charge all types of residential property on 70% of water usage. We request this change.

What makes the current policy so utterly **in**equitable, is that it is always applied:

1. in **favour of Full Title** and
2. to the **disadvantage of Sectional Title Schemes.**

Furthermore, in terms of your policy the surplus of refuse removal tariffs (income – expenses) can be applied for the relief of property tax, which is a scalable tax. The effect of the policy is that a refuse surplus subsidises property rates. This subsidy **de**ceases property rates. This appears to be reasonable but is not because property rates are **scalable**, meaning that the larger the property value, the larger the subsidy from the refuse surplus. This is quite extraordinary. Take into consideration that a large part (if not the total) of a refuse surplus may very well come from non-existing virtual bins charged to property owners in complexes.

This is another real anomaly. It is clearly not only **in**equitable, but also highly **immoral** and **wrong**. We request that the policy be repealed.

A real equitable solution is to charge refuse per volumetric unit **collected**. OSM has already defined the unit in its tariff schedule as a 240 litre Wheeley Bin = 4 X Bags. This solution will truly reflect the intention of "Municipal Systems Act, No 32 of 2000, 74(2)(a) and 74(2)(b)".

SUMMARY of REQUEST

In summary, we request that OM Policies, Budgets and Tariffs truly reflect the **Municipal Systems Act, No 32 of 2000** Section 74 (2) (a) and 74 (2) (b):
74 (2) (a):- A true equitable solution and not a phantom one and
74 (2) (b):- The amount individual users **pay** for services will be in **proportion** to their **use** of that service and not for some **imagined** service on **virtual** Bins.

Ontvang 29 Apr. 2014.

Akasiaweg 12
HERMANUS
2014-04-29

Mnr Solomon
Raadslid Finansies
Overstrand Munisipaliteit

Geagte mnr Solomon

I.s. TARIEWE VIR VULLISVERWYDERING

1. Ek woon in 'n voltitel-woning in Northcliff. My moeder was vir sowat 10 jaar tot Januarie vanjaar 'n inwoner van Fynbospark in Westcliff. Dus is ek redelik goed bekend met sake rakende Fynbospark.

2. Daarom het ek in September 2013 die vergadering te Fynbospark i.s bostaande onderwerp bygewoon. Tydens die vergadering het mnr Hamman sy besware teen die nuwe tariewe uiteengesit.
Die Burgemeester, mnr Coenie Groenewald en me Santie Reineke-Naude het in antwoord algemene inligting i.s. vullisverwyderings-kostes verstrek. Hulle het egter nie werklik die detail besware wat mnr Hamman uiteengesit het, beantwoord nie. In hierdie opsig was die loop van sake onbevredigend, en daarom het gemoedere hoog geloop. Ons het egter gehoop dat daar minstens in die opstel van die begroting vir 2014/15 ernstig deur die munisipaliteit herbesin sou word oor hierdie aangeleentheid.

3. Weens ongesteldheid kon ek nie die vergaderings waartydens die begroting vroeër in April bespreek is, bywoon nie. Ek verlaat my dus op die berig in die Hermanus Times van 17 April. Hiervolgens regverdig u die status quo as volg: *Die OM het gekyk daarna, maar die redenasie is dat een of twee mense wat in 'n deeltitel-eenheid woon net soveel vullis genereer as een of twee mense wat in 'n voltitel-huis woon. Ons voel dis regverdig en ongelukkig volstaan ons by ons besluit.*

4. Bostaande standpunt is onaanvaarbaar omdat dit nie die werklike problematiek aanspreek nie. Daarom rig ek hierdie skrywe aan u.

5. Daar word aanvaar dat die uitgangspunt by tarief-vasstelling moet wees om die koste van die diens sover doenlik regverdig tussen die instansies wat die diens gebruik, te verdeel. By voltitel-huise is daar praktiese probleme wat dit moeilik maak om die diens per huis te meet en die kostes heeltemal bevredigend aan elke huis toe ken. 'n Mate van kompromis is hier dus onvermydelik.

6. By besighede en hoë-digtheid deeltitel komplekse egter, word 'n groot hoeveelheid vullis in 240-liter dromme by een sentrale punt deur die betrokke instansie versamel op sodanige wyse dat die kostes administratief sonder probleme deur die munisipaliteit beheer kan word. Meting van vullis hoeveelhede berus op die aantal dromme wat gebruik word, en is prakties

bevredigend. Die koste wat van die regspersoon van die besigheid of deeltitel-skema verhaal word is dus korrek vir die betrokke hoeveelheid vullis. Indien meer as een gebruiker verantwoordelik is vir die vullis, is dit vir betrokke regspersoon se taak om die koste bevredigend van die verbruikers te verhaal.

7. Kyk na die onlangse geskiedenis van Fynbospark, wat gebruik maak van 19 vullisdromme wat eenmaal per week skoongemaak word as 'n diens aan 148 deeltitelwoonstelle, en vergelyk dit met 'n hipotetiese besigheidsinstansie wat ook 19 vullishouers het wat weekliks skoongemaak word. Die koste om die diens aan sodanige twee instansies te verskaf verskil slegs daarin dat een instansie se dromme sê 80 % vol is terwyl die tweede instansie se dromme gemiddeld sê 85% vol is. Binne haalbare akkuraatheids-grense is die koste wat die munisipaliteit van die twee instansies behoort te verhaal dus dieselfde.

   Vir hierdie voorbeeld gebruik ek eenvoudshalwe die tariewe wat tans geld, dws R140 per maand vir een vullisdrom weekliks, asof daar nie 'n 8,53% aanpassing vir "inflasie" was vanaf 2012/13 na 2013/14 nie.

   KOSTE VIR BESIGHEIDSINSTANSIE

   Maandelike koste vir 19 dromme per week:-

   in 2012/13 _____ 19xR140 = R2 660
   in 2013/14 _ steeds 19xR140 = R2 660

   KOSTE VIR FYNBOSPARK

   Maandelikse koste vir 19 dromme per week:-

   in 2012/13 _____ 19xR140 = R2 660
   in 2013/14 _____148xR140 = R20 720

   Slegs weens die beleidsverandering het die koste vir Fynbospark 7,9 keer so groot geword as tevore, terwyl die besigheidsinstansie se koste onveranderd gebly het. Dit is onaanvaarbaar.

8. Dit is dus duidelik dat die nuwe stelsel gelei het tot 'n onredelike kostestyging vir deeltitel- en ander hoë-digtheid komplekse en dat 'n terugkeer na die vorige beleid, wat sulke komplekse op soortgelyke wyse as besigheids-entiteite behandel het, dringend noodsaaklik is.

9. Kom ons vergelyk nou die omstandighede by Fynbospark met voltitel-huise.

   Soos hierbo vermeld het Fynbospark 148 deeltitel-eenhede wat in 2013 bewoon is deur 151 persone. Dus sowat EEN person per eenheid.

   By voltitel huise is die gemiddelde aantal inwoners per huis moeilik om te bepaal. Vir 'n veertigtal huise in Northcliff waar ek op hoogte van sake is, is

daar gemiddeld 2,49 inwoners per huis afgerond tot twee syfers dus 2,5 persone per huis. In gebiede waar die eienaars jonger is, sal daar meer kinders as in Northcliff wees. Daar is ook huise waar die eienaars se ouers by hulle woon. Die gemiddelde syfer is dus waarskynlik ietwat hoër. Ek skat dat dit vir die hele dorp sowat 2,7 tot 2,8 persone per woonhuis is.

My skatting kan natuurlik optimisties of pessimisties wees. Waaroor ek egter geen twyfel het nie, is dat u motivering om die status quo vir die komende jaar te handhaaf, soos in die Hermanus Times gerapporteer en in punt 3 hierbo aangehaal, 'n mistasting is wat beslis nie die werklike toestand beskryf nie.

10. Die groot aantal punte van waar die vullis by voltitel-huise verwyder moet word, en die veel groter variasie in die hoeveelheid vullis per woning (vergeleke met die toestand by die beheersde versamelpunte by besighede en deeltitel-komplekse) bring mee dat dit onprakties is om die hoeveelheid vullis wat elke kliënt genereer bevredigend te meet en om die kostetoedeling ooreenkomstig te beheer. 'n Toedeling van koste in ooreenstemming met die diens gelewer aan elke huis is uiters moeilik en ek aanvaar dus die huidige stelsel waar elke huiseienaar R140 per maand betaal as 'n praktiese aanvaarbare kompromis vir voltitel-huise.
Ek stel dus geen verandering hier voor nie. Moontlik het iemand anders 'n elegante oplossing?

11. Indien die inhoud van hierdie dokument aanvaar word, sal dit sekerlik nodig wees om die voorgestelde tarief vir elke vullisdrom effens te verhoog om te vergoed vir die kleiner inkomste vanaf die deeltitel- en ander hoëdigtheid komplekse. Dit sal lei tot ietwat hoër koste vir besigheidsentiteite en voltitel-huise. Dit moet aanvaar word.

Ek dank u vir u geduld.

Die uwe

(D.C.Scholtz)

ANNEXURE H

LG MTEC 3 ASSESSMENT

OVERSTRAND MUNICIPALITY

LG MTEC 3 ASSESSMENT REPORT

BUDGET & IDP ANALYSIS

Western Cape Government

APRIL 2014

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LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEADP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Extended Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre

KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1000 watt hours)
LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NRW	None Revenue Water
NDHS	National Department Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WC	Water Conservation
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

GLOSSARY

Accrual an accounting convention by which payment and receipts are recorded as they occur, even if no cash flow takes place.

Adjustments estimate means presentation to council of the amendments to be made to the appropriations voted in the main budget for the year.

Budget means a documented source of information on anticipated income and expenditure over a specific period of time.

Capital expenditure means expenditure on assets such as buildings, land, infrastructure and equipment.

Credibility means the municipality has the ability to execute and deliver on this budget.

Current expenditure means government expenditure on goods and services, such as salaries, rent, and maintenance and interest payments.

Division of revenue means the allocation of funds between spheres of government, as required by the Constitution.

Equitable share means the allocation of revenue to the national, provincial and local spheres of government as required by the Constitution.

Liquidity, Refers to the degree of availability of cash, or the ease with which assets can be turned into cash to meet immediate financial needs.

Medium Term Expenditure Committee (MTEC) means the technical committee responsible for the evaluating of the MTEF budget submissions of national departments and making recommendations to the Minister of Finance regarding allocation to national departments.

Medium-Term Revenue and Expenditure Framework (MTREF) means the three year spending plans of national, provincial and local governments, published at the time of the budget.

Municipal tariff means a tariff for services which a municipality may set for the provision of a service to the local municipality, and include a surcharge on such tariff.

Responsiveness means the extent to which the strategic direction, planning and implementation take into account the impact of the socio-economic reality of the municipality on its residents.

Sustainability means the municipality has sufficient revenue and adequate corporate stability to fund and deliver on its budget.

Worthwhile-ness means value for money or time or effort spent.

SECTION 1: EXECUTIVE SUMMARY

The annual assessment of municipal budgets and Integrated Development Plans (IDPs) by provincial governments is essential. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its oversight, monitoring and support roles to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and Constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2014/15 MTREF Budget, 2014/15 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Outstanding findings from previous LG MTEC 3 engagements;
- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your municipality on the 29 of April 2014 where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, LED, SDF and various other strategies and plans.

The purpose of this report was, ultimately, to foster dialogue between provincial and municipal spheres of government. The municipal Integrated Development Plan is seen as a critical component of effective and efficient service delivery because it provides a "road map" for development in the municipality.

The overall analysis of this report indicates that that baseline studies would need to be conducted to assess the level of infrastructure backlogs, particularly in terms of sanitation infrastructure.

The assessment report also indicates that the operating and capital budgets are aligned to the Municipality's KPAs and are responsive to the Municipality's IDP.

The Disaster Management Chapter in the IDP is a good practice model in the Province; so is the housing chapter.

It is also good to note that the municipality has strategies in place to improve on the Green Drop score of 88.8 per cent. Water quality is excellent --- A Blue Drop score of 96.8 per cent has been achieved.

The Provincial Government acknowledged that Overstrand Municipality managed to compile a balanced budget under extreme difficult circumstances and the municipality is commended for the full compliance with the legislative requirements.

The budget assumptions appear to be realistic and the annual budget of the municipality is considered to be credible.

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

The table below provides a summary of the previous LG MTEC findings, the response from the Municipality and the progress to date.

Table 1 IDP Analysis

Finding	Action required	Progress
IDP ANALYSIS		
AIR QUALITY MANAGEMENT: Threats and challenges pertaining to air quality management and the appropriate mitigating interventions are not addressed in the IDP.	Develop an Air Quality Management Plan which includes strategies to improve the air quality.	Addressed See IDP p 229-234
COASTAL MANAGEMENT: Development of a Coastal Management Plan.	Develop a Coastal Management Plan.	Not addressed Still to be done in collaboration with Overberg District Municipality (IDP p 76)
INTEGRATED DEVELOPMENT: Alignment between IDP, SDF and the Human Settlement Plan.	Include the key aspects of the Integrated Development Framework to illustrate the alignment between IDP, SDF and the Human Settlement Plan.	Addressed See IDP p 192-210

Source: PT generated (April 2014)

Summary:

Overall, most of the findings or issues raised by the Province were addressed.

SECTION 3: COMPLIANCE REVIEW

This section outlines the level of compliance with the preparation and submission of the draft IDP, Draft SDBIP and Annual Budget.

Table 2 Compliance

No.	Parameter /Requirement	Assessment result	Recommendation
1.	Full compliance with legislative requirements for the annual budget.	Full Compliance.	
2.	The Budget Related Policies	Full Compliance.	
3.	The draft IDP	The municipality's IDP complies with all of the requirements.	A comprehensive report on performance against KPAs is included (IDP p 25-42); The IDP alludes to the key elements of the financial plan, but the relevant information is omitted (IDP p 240)

Note: Detail is available in Appendix A, previously distributed.

Finding:

The Provincial Treasury acknowledges the full compliance status with the requirements of the MFMA and the Municipal Budget and Reporting Regulations achieved by the Overstrand Municipality.

SECTION 4: INTEGRATED PLANNING AND SPATIAL ANALYSIS

4.1 INTRODUCTION

This Section of the report starts by reflecting on the recommendations submitted to the Municipality by the MEC for Local Government on the final adopted 2013/14 IDP in a letter dated 18 June 2013. The Draft Reviewed 2014/15 IDP was undertaken with a consideration of the following additional information:

- The Overstrand final adopted 2012 – 2017 five year IDP;
- The Overstrand final adopted 2013/14 Annual Reviewed IDP;
- The LG MTEC 3 report on the draft Reviewed 2013/14 Overstrand IDP; and
- The final 2013/14 SDBIP of Overstrand and the draft 2014/15 SDBIP of Overstrand.

This approach was followed due to the fact that the Reviewed IDP of a municipality is not a stand-alone process; it forms part of a wider, holistic and cyclical process of municipal planning (which includes objective- and target setting), budgeting, implementation, monitoring, review and amendment.

4.1.1 Role players in the draft 2014/15 Reviewed IDP assessment process

The subsequent Sections 4.2 to 4.7 provide comments from both Provincial and National departments' on the Municipality's draft Reviewed 2014/15 Integrated Development Plan (IDP). The sector departments that took part in the assessment of the municipality's draft Reviewed IDP are: Department of Local Government: Integrated Development Planning, Municipal Infrastructure, Disaster Management, Public Participation, Special Groups, Thusong Programme, Municipal Support and Capacity Building, Communications Directorates, Department of Environmental Affairs and Development Planning; National Department of Environmental Affairs; Department of Human Settlements; National Department of Human Settlements (Sanitation); Department of Water Affairs; Department of Economic Development and Tourism; Department of Transport and Public Works; Department of Cultural Affairs and Sports; Department of Community Safety; Department of Health; Western Cape Education; and Department of Social Development.

4.1.2 Specific findings on the current draft 2014/15 IDP

The overall findings on the 2014/15 draft Reviewed IDP of Overstrand Municipality can be summarised as follows:

- It is noted that the draft Reviewed 2014/15 has addressed the comments contained in the letter from the MEC for Local Government on the 2013/14 adopted IDP.

- The draft 2014/15 Overstrand Reviewed IDP was prepared in compliance with the revised Process Plan/Time Schedule. The IDP clearly states that this draft Reviewed IDP for 2014/15 has to be read in conjunction with the current adopted five year IDP. This is a commendable contextualisation undertaken by the municipality in its IDP. The draft 2014/15 Overstrand Reviewed IDP is therefore considered to be a reviewed IDP in terms of the provisions of Section 34(a) of the Municipal Systems Act.

- Given the contextualisation within which the IDP is being reviewed, the 2014/15 draft Reviewed IDP for Overstrand provides an update of the municipality's performance in terms of the targets and indicators set in the 2012 - 2017 IDP. The municipality is commended for setting out what has been achieved against each of the pre-determined KPIs.

4.1.3 Overall findings

The municipality's newly crafted Integrated Development Framework (IDF) sets a benchmark. The IDP contains the key elements of the IDF, and it illustrates very succinctly the alignment between the key planning tools, namely the IDP, the SDF and the Human Settlements Plan. Additionally, the municipality is commended for a very responsive IDP: whilst the strategic direction of the municipality remains on course, the IDP acknowledges that it has taken cognisance of changing circumstances vis-à-vis the housing challenge, and that the municipality has adjusted its housing policy accordingly. In a nutshell, the IDP of the municipality demonstrates performance-orientated planning, and it gives evidence that Overstrand is progressively taking its planning function to higher levels.

4.2 ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

4.2.1 Spatial Development Analysis

Analysis:

The MSDF for the most part meets the Municipal Systems Act (MSA) and Municipal Planning and Performance Management Regulation requirements, and it is aligned with the Provincial Spatial Development Framework (PSDF). The Overstrand Municipal Spatial Development Framework (MSDF) was adopted by the Municipal Council in 2006. The areas lacking are those of capital investment framework for the municipality's development programs, aligning the SDF to those of the neighbouring municipalities and the indication of areas of priority spending.

The current five-year IDP as well as the 2013/14 review makes a concerted effort to align with the current approved SDF. The draft 2014/15 IDP does not provide a composite map, however, it does provide plans extracted from the Integrated

Development Framework (IDF) as well as a detailed description of spatial priorities in each town/settlement. The draft IDP also speaks to principles of growth management.

The 2006 MSDF in conjunction with the Growth Management Strategy (which is an additional document) adequately provides strategic guidance in respect of population growth, densification, location and nature of development, and land prioritised for development identified. However, certain aspects pertaining to infrastructure investment, strategic interventions and priority spending areas can be strengthened through spatially reflecting them in the SDF document. The IDF addresses these issues to some extent, at a strategic level and will provide appropriate guidance when the SDF is reviewed. Settlement restructuring is dealt with extensively throughout the document.

Overstrand Municipality does not have a Development Contribution s policy document, however, a very short document exists outlining the DC requirements and the necessary procedures for calculating development contributions are followed. It would appear that an incentivised approach is not followed.

The approved 2006 SDF delineates urban edges for each town/settlement. The Growth Management Strategy and the draft IDF indicate urban edges as well. The urban edges are largely aligned with provincial policy; however, in certain instances extensive new development areas have been identified. The draft IDF does propose a few amendments which are more in line with provincial policy.

Although sustainability is touched on in the SDF, the mainstreaming thereof is not addressed. Neither is the optimisation of resource-use efficiency. The Municipality does, however, have an Environmental Management Services Section that strives towards sustainable environmental management by means of environmental, social and economic development environmental best practice. Accordingly, the section strives to coordinate, plan and manage all human activities in a defined environmental system to accommodate the broadest possible range of sustainable short and long term objectives. One of the goals of the EMS Section is to evaluate and comment on the environmental sustainability of Development Schemes as proposed by the various role players. This includes comments on Development Proposals, Town Planning Applications, Building Plans and Infrastructure projects.

There is limited or no indication of the relevant biophysical conditions for the area.

The significance of such features in terms of biodiversity and conservation was not explored. However, the relevant and appropriate conservation programs and plans are assessed, referenced, mapped and its implications incorporated in the SDF.

The planned expenditure is not spatially reflected in the SDF, but it does appear in the draft 2014/15 IDP. A ward- based spatial expenditure plan is included. Planned expenditure is aligned with priority areas of intervention.

Recommendations:

i. That the Overstrand Municipality review the SDF once the IDF is finalised.

ii. That, while the spatial proposal plans for each town provide valuable and detailed information, the inclusion of a composite map indicating planned expenditure spatially would provide an overall view.

iii. That the Municipality includes a section in the SDP summarising the optimisation of resource-use efficiency and the mainstreaming of sustainability. This section must indicate how the Municipality incorporates these issues into development planning at the same level with economic and social factors.

iv. That the SDF be updated to incorporate Critical Biodiversity Areas and Ecological support areas as Core 1 area.

4.2.2 Waste Management and Waste Removal

Analysis:

The Overstrand Municipality's IWMP has been assessed by the DEA&DP and the assessment report was provided to the municipality with recommendations. The municipality, according to their IWMP assessment report, adheres to 33 per cent of the requirements of an IWMP. Therefore, the IWMP does not meet the content requirements as set out in Section 12 of the NEM: WA. The IWMP has been adopted by Council resolution.

Waste management targets and indicators have been included in the IDP for solid waste management.

The IDP does not specify the areas or settlements with or without access to the waste management service (breakdown w.r.t areas/ wards was not given). The IDP states that all areas receive the service but it is not clear how many households are without the service. Areas with unreliable access to the service are also not provided.

The IDP only indicates that the Gansbaai waste disposal facility is licensed, but does not indicate the remaining airspace. The IDP is silent on the 6 closed, unlicensed waste disposal facilities in Overstrand Municipality. DEA has provided funding for the licensing of 3 of the unlicensed waste disposal facilities.

Recommendations:

i. That the IDP be amended to address the recommendations provided by the DEADP in their assessment report.

ii. That the content of the IWMP be brought in line with the requirements of Section 12 of the NEM:WA, so that it achieves 100 per cent compliance.

iii. That the IDP specifies the areas or settlements with or without access to the waste management service, as well as those with unreliable access to the service. The number of households without the service should be provided.

iv. That the IDP has to indicate the remaining airspace at the Gansbaai waste disposal facility.

v. That the IDP has to address the 6 closed, unlicensed waste disposal facilities in Overstrand Municipality.

4.2.3 Air Quality Management

The Overstrand AQMP was developed and adopted by Council in 2013. It was attached as annexure 7 of the Overstrand Integrated Development Plan Review for 2014 - 2015.

The Overstrand AQMP met the content requirements as set out in Section 16 of the NEM: AQA. The IDP was in compliance with Section 16 and 17 of NEM: AQA.

Recommendations:

That Overstrand local municipality allocates budget for the implementation of their Air Quality Management Plan and reflect this in the IDP.

4.2.4 Coastal Management

Overstrand Municipality is does not have coastal management functions assigned to them. All the functions with regard to coastal management are performed by District Municipalities.

The Overberg DM is in the process of drafting a CMP which will be subjected to public engagement processes.

The 2nd draft of the Districts coastal setback lines was completed in March 2014 and the Coastal Management Programme is currently undergoing public participation (dates set in April).

Overberg DM should finalise their draft and promulgate the CMP and Estuary Management Plans as a matter of urgency; the B municipality may then adopt the District Plan.

4.3 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

4.3.1 Municipal Infrastructure Planning

The municipality has developed a Growth Management Strategy (GMS) which forms part of the SDF and was approved by council in January 2011.

The IDP indicates that there is a clear alignment between the IDF, SDF, SEMF, HSP, GMS and other planning policy initiatives. The IDP also refers to several plans that are aligned to SDF and GMS e.g. Master Plans for each basic infrastructure and the Water Master Plan which has been revised in line with the Growth Management Strategy.

Whilst the IDP does not specifically mention a Municipal Infrastructure Plan (MIP) or an Infrastructure Investment Framework (IIF), the IDP identifies several sectoral master plans that have been developed. The municipality is planning to consolidate these master plans into a composite Infrastructure Management Plan during the 2015/16 financial year.

Recommendations:

That the IDP should indicate that the development of a consolidated Infrastructure Management Plan is due for completion in 2015/16 financial year.

4.3.2 Integrated Infrastructure Asset Management Plan

The IDP indicates that the Infrastructure Asset Register is in place for both water and sanitation infrastructure.

The Reviewed IDP indicates that an Asset Management Plan is yet to be developed. Although the Municipality does not have an Asset Management Plan, there is an Asset Management Policy in place to ensure proper maintenance of the infrastructure assets of the municipality.

The municipality undertakes to consolidate the different infrastructure and asset master plans into a composite Infrastructure Management Plan during the 2015/16 financial year.

Recommendations:

That the IDP should indicate that the development of a consolidated Infrastructure Management Plan is due for completion in 2015/16 financial year.

4.3.3 Municipal Infrastructure Operations and Maintenance Plans

The IDP indicates that Operations & Maintenance manuals were developed for each Water Treatment- and Waste Water Treatment Works.

Standard Operating Procedures and Maintenance Plans for some of the sectors such as water, waste water, sewer treatment, public amenities, graveyards and sport facilities have been developed. The Municipality is currently busy developing the outstanding maintenance plans.

The status of critical plant and equipment, whilst not referenced in the IDP, is clearly indicated in the Maintenance Management Programme of 2012.

The organogram in the Reviewed IDP does not adequately respond to the requirements of the Operations & Maintenance plan. Ten vacant posts are indicated.

Recommendations:

i. That the status of the existing maintenance plans be indicated in the IDP.

ii. That the IDP should indicate which of the outstanding maintenance plans are yet to be developed.

4.3.4 Municipal Roads and Stormwater Specific

The IDP mentions that the municipality has a Pavement Management System in place which was approved in November 2008.

It is indicated that the municipality does have various storm water plans for the different areas, but that further Storm Water Master Plans will be developed.

The municipality does not have a Roads Master Plan; however, an Integrated Transport Plan (ITP) is in place. It is noted that the Department of Transport and Public Works is busy completing the Overstrand Transport Plan which, together with the municipality's ITP will serve as the Overstrand Road Transport Plan.

The IDP includes the carry-over list for all the roads projects which were deferred due to financial constraints.

Recommendations:

i. That the status of the existing Storm Water Plans be indicated in the IDP.

ii. That the status of the Road Transport Plan be indicated in the IDP.

4.3.5 Water: Infrastructure Specific

The Water Services Development Plan, which was adopted in March 2012, was reviewed in 2013. The IDP states that there are no water services backlogs.

The water service billing with associated budget has not been ring-fenced. According to the Annual Water Audit Report the bulk and zoned water meters are in place, and monthly water balance calculations are performed; however, this is not reflected on the IDP.

A Blue Drop system is identified and the municipality has achieved a 96.8 per cent score. The municipality has a funded WC/WDM programme although the funding is not reflected on the IDP.

The IDP adequately reflects the priority projects as identified in the WSDP, MIP, and IIAMP and by the community.

Recommendations:

That the reference to "*Masibambane*" in the IDP (page 96) be replaced with Accelerated Community Infrastructure Programme (ACIP).

4.3.6 Sanitation Infrastructure Specific

The municipality has a Green Drop system in place; the average score achieved is 88.8%. A Comprehensive Bulk Infrastructure Master Plan (dated 2010), as well as a Sewage Master Plan is in place, together with strategies to improve the Green Drop rating.

The capacity of the Wastewater Treatment Works (WWTW) has not been identified. Operations & Maintenance Plan, as well as an Asset Register is in place. The IDP adequately reflects priority projects as identified in the WSDP, MIP, and IIAMP and by the community.

The level of Basic Services, Free Basic Sanitation and access to services are also set out in detail in the Water Services Development Plan.

The municipality commendably has a Consumer Charter in place. This is regarded as one of the good practices of the municipality.

Recommendations:

That baseline studies be conducted on the backlogs, and that the level of access to services be outlined per area.

4.3.7 Energy and Electricity

The IDP mentions that an approved Electricity Distribution Master Plan is in place. The IDP also defines the municipality's objectives and strategies with respect to improving access to energy and electricity.

In terms of energy efficiency measures and the use of renewable energy, the IDP does not contain specific information.

Recommendations:

That the IDP elaborates on energy efficiency measures and the use of renewable energy.

4.3.8 Roads and Transport

The IDP reports clearly on the status of public transport, as well as the level of backlogs.

A Roads Operations and Maintenance Plan is in place, and the IDP reports comprehensively on the strategies, programmes and projects to improve access and quality of roads and transport services.

It is noted that the Department of Transport and Public Works is busy completing the Overstrand Transport Plan, which, together with the municipality's Integrated Transport Plan, will serve as the Overstrand Road Transport Plan.

4.3.9 Human Settlements

The municipality must be commended for the quality and completeness of the IDP that provides a full scope on human settlement development. Overall, the IDP includes a good argument that aims to eradicate the current housing backlog, and

also to develop and plan for future integrated communities and settlements through incorporating various housing programmes, each focussing on different needs.

The Housing Pipeline (2013/14) which was approved by Project Planning Committee (PPC) in September 2013 is reflected in the IDP. It provides a good understanding on where housing developments are focused in future and makes the link between the IDP and future housing projects much clearer.

The current housing pipeline does not make provision for the acquisition of future land parcels for human settlement development. The future development of the HSP, which focuses on longer term planning, will play an important role in identifying future land purchases to address the housing need within the municipal area.

Projects reflected on the capital budget aligns with the housing pipeline, and the pipeline also reflects bulk infrastructure projects required to unlock future housing opportunities.

Recommendations:

i. That the new draft Human Settlements Plan be made available to the Department for consideration.

ii. That the current housing provisions in the Human Settlements Plan reflected be updated once the final Business Plan (2014/15) is available.

4.3.10 Disaster Management

The IDP contains a very thorough Disaster Management chapter which is regarded as a good practice model in the province. Ample references are made to specific contingency plans and to the fact that the DM Plan was reviewed in 2013.

All the required indicators can be located in the IDP except for the DM budget and the "High Risk Developments/IDP Projects Table".

The IDP contains a matrix of the top 10 risks the municipality faces; however, the IDP does not clearly indicate when the last Risk and Vulnerability Assessment was performed.

Recommendations:

i. That the High Risk Developments/IDP Projects Table be used as it serves as a (disaster) risk register for any potentially problematic development plans, where mitigation/risk reduction measures can be captured.

ii. That the status of the Risk and Vulnerability Assessment be indicated in the IDP.

4.4 LOCAL ECONOMIC DEVELOPMENT

The municipality has an adopted LED Strategy, which is currently under review. It is noted that, with the support from DEDAT, the Overberg District municipality will be reviewing its LED Strategy during 2014/15 financial year. Once the District's LED Strategy has been drafted, a project which aims to achieve proper alignment of the Overberg region's B-municipalities' economic priorities will be conducted by DEDAT.

Tourism, Aquaculture / Agriculture, Manufacturing, Finance, real estate and business services represent the largest and fastest growing sectors. The biggest employment contributors were Construction (15.8%), Wholesale & Retail Trade (14.7%) and Community, social and personal services (12.6%).

The municipality has identified the following challenges with regard to LED, namely high levels of unemployment, the need for co-operation with private sector, the impact of the peak season versus the off-season (given the dependence on tourism), unequal skills and education levels, a skewed Gini-coefficient, as well as restrictive geographical environmental considerations. The IDP does, however, indicate what specific actions will be implemented as part of the LED.

The IDP notes that the municipality will focus on development of the infrastructure (housing, transport, sewerage, water, roads, and electricity) to make it easier for businesses to operate. It is evident that the municipality wishes to ensure that Overstrand is attractive to investors.

From a skills development perspective the municipality intends to encourage participation in learnerships and other training programmes aimed at harnessing business opportunities.

The municipality has a fully resourced LED Directorate. The LED key performance area and social upliftment expenditure forecast for 2014/15 is: Operational – R28.3 million, and Capex – R5.4 million.

Given the indicated importance of retaining and attracting businesses, the municipality has indicated programmes for introducing Participatory Tools, service excellence programmes and networking sessions and exhibitions.

The municipality is commended for crafting an excellent LED Chapter in their IDP (Chapter 6) which reflects the status quo of the local economy, captures the challenges associated with economic development, and presents programmes and projects to enhance economic growth.

Recommendations:

That alignment of the (reviewed) LED Strategy with the ODM's regional LED Strategy is ensured.

4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Although there is a summary on the IDP process, there seems to be no executive summary on the process plan in the document, hence there is no inclusion of evidence in respect of when the public participation processes took place.

It is evident that good inter-governmental relations exist. The Overstrand Municipality uses the Overstrand Municipal Advisory Forum (OMAF) as well as the Ward Committees as their official participatory structures. IDP specific engagements were held during September – October 2013. Ward Committees were part of "need assessment" sessions during September 2013 – January 2014 in respect of the council's municipal budget processes. OMAF meetings and Ward Committee meetings were held and broader stakeholders (service organisations) were also involved to gather information on community needs per ward. This is outlined in the municipal process plan; however the process plan is not adequately summarised in the draft IDP.

The Process plan is not clear on community engagements in general.

The IDP confirms that a Communication Strategy is in place, and that the implementation thereof is aligned to all functional areas of municipal activities.

While reference to specialised skills for communication is mentioned in the IDP, it does not spell out the structural arrangement to reflect the human resources allocated to the communication function. The budgetary allocation for communication is also indicated in the IDP.

The IDP makes reference to various media and communication platforms that are being utilised to enhance communication with the broader public.

Recommendations:

i. That the municipality provides a schedule of community meetings during the public participation process with the broader community as it is not clearly reflected in the IDP.
ii. That the structural arrangement of human resources allocated to the communication function be indicated.

4.6 SOCIAL, HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORTS SERVICES

4.6.1 Department of Social Development

The IDP gives evidence of strong emphasis on a consultative approach to planning. Several social development initiatives are captured in the IDP.

The IDP is silent on how the municipality will deal with issues of substance abuse. How Local Drug Action committees may be addressed through other youth programmes, could be stated clearer.

Whilst the IDP refers to a Safety Plan, it does not elaborate on social crime prevention and safety programmes.

The IDP does not speak to the availability and maintenance of infrastructure for older persons.

Recommendations:

i. That the municipality participates in the in Provincial Substance Abuse Forum by having a representative on the forum.

ii. That the municipality indicates in the IDP the interim measures that will mitigate the issues associated with crime.

iii. That social infrastructure provision be prioritised in line with the growing elderly population.

iv. That the municipality indicates the types of projects that will assist initiatives to combat poverty and prioritise support to food security interventions.

4.6.2 Department of Cultural Affairs and Sport

The compiled assessment of all ward committees' needs indicate a priority for local sport facilities, promotion of social and economic development and 1 indication of a heritage overlay zone. It is not clear if the needs categories include arts and culture development. The IDP reflects that the communities did not identify arts and culture as a need/priority.

The IDP prioritises sport development as a means to address youth development, crime prevention, social cohesion and sport infrastructure development. It has established a Sport and Recreation Forum to inform sport development for the municipality. The IDP mentions the implementation of a sport festival, events for youth month and grant funding for sport infrastructure.

The IDP identifies the lack of economic opportunities in the face of high unemployment rate as a risk. The IDP had also identified the lack of capacity to ensure social upliftment to all vulnerable groups which may be having an impact on the development of arts and culture projects.

The IDP acknowledges that creative and cultural activities should be explored to further support the LED. It is recommended that an arts and culture strategy be

developed in line with the LED strategy. The municipality acknowledges the language rights of the different communities in the area.

Recommendations

That the municipality promotes sports and arts and culture to address social problems.

4.6.3 Department of Education

In terms of municipal service delivery the top three needs of the wards in Overstrand municipality are storm water management, local tourism and municipal roads. The education sector can benefit directly as well as indirectly from these priorities as they are implemented over the next MTEF periods.

The municipality constantly seeks to improve their road signage and directional/ informational signage. WCED will address the matter of signage within the public school premises, but the directional signs outside of school grounds are the responsibility of local municipalities.

The following is an extract from the Municipality Service Level agreement with its clients: "*the review of prescribed fees and tariffs at least annually through a transparent process during which an effort will be made to keep the tariff and fees affordable for our consumers in terms of our Tariff Policy; and …*" Schools can certainly benefit from reduced municipal services costs.

Recommendations

i. That municipal ward structures assist with regular learner attendance and prevention of school drop-outs.

ii. That consideration be given to erect directional signs of Educational sites (Schools, Colleges, District offices, etc.).

iii. That a focus be placed on enhancing learner safety by
    - Clearing the municipal owned land surrounding schools
    - Improve lighting/tarring of roads and reporting to the Principal/District Office any unroadworthy vehicles transporting learners
    - Improve pedestrian crossings and speed humps near and around schools.

4.6.4 Department of Health

The Overstrand Municipality has not made reference to the Burden of Disease that may have an impact on their economic growth. The municipality can obtain the

Department of Health spatial plan and services document where more detail is provided on the burden of disease as well as current services and budget spent in municipal space.

Recommendations:

i. That the environmental health issues that are linked to the Burden of Disease be highlighted along with the inter-sectoral plans.

ii. That the health spatial plan reflects in the IDP's SDF section and be linked to the section on health in the IDP.

iii. That the Overberg District Health Council be included in the municipality's IGR provincial forum list.

4.6.5 Department of Community Safety

The municipality is commended for having established a functional Community Safety Forum (CSF). The IDP also refers to a Community Safety Plan which will be reviewed in 2015. Other than that, the IDP does not elaborate on safety and security issues.

Recommendations

i. That the IDP should indicate the existence of a Community Safety Forum.

ii. That the IDP expands on policing safety needs by listing the following:
   a. Top causes of crime
   b. Top motivators of crime
   c. Top opportunities for committing crime
   d. Top Crimes

4.6.6 Thusong Programme

The IDP highlights the socio-economic dimensions of the region and the needs of the community. The needs are further translated into set priorities for the 2014/15 financial year.

The IDP is not explicit in showcasing that the Thusong Programme provides increased access to equitable and effective government information and services that respond to the socio-economic challenges highlighted in the IDP.

The Municipality is commended for strategically determining alternative options for the implementation of the Thusong Programme.

Recommendations:

i. That the IDP should illustrate how the Thusong Programme addresses the socio-economic challenges within the Municipality; and

ii. That statistics that highlight the usage and functionality of the Thusong Service Centre be included.

4.7 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The municipality has a functional Performance Management System in place which was approved and adopted by council in November 2008. The PMS has been fully implemented at organisational-, s57, middle management and to lower level staff except for the lower levels in the Community Services Directorate.

The revision of the PMS has been implemented in two phases: 2010/2011 for senior managers, and 2012/2013 for all other staff.

All seven section 57 positions are filled. The total number of vacancies is 70. Policies and plans provide guidance for fair and consistent staff treatment. It is noted that the municipality adheres to its Employment Equity Plan to promote inclusivity. The municipality is also successfully implementing its Workforce Skills Plan.

Recommendations:

i. That the Performance Management System be cascaded to all levels throughout the organisation.

SECTION 5: ASSESSMENT OF THE BUDGET RESPONSIVENESS

5.1 SOCIO-ECONOMIC IMPACT & ALLOCATIVE EFFICIENCY

5.1.1 Introduction

The IDP review of the municipality was conducted by studying the following documents:

1. The 5 year IDP,
2. The previous annual IDP review,
3. The MEC comments of last year,
4. The draft LG MTEC 3 assessment report of the previous year, and
5. The SDBIPs

The 2013/14 Reviewed IDP does not provide adequate clarity on the process the municipality undertook to review its IDP. This lack of clarity makes it difficult to do a sincere assessment of the IDP. While this is the case, some of the changes worth noting include the 8 municipal KPAs that now consist of outcomes. While this is case some of the outcomes may need to be revisited.

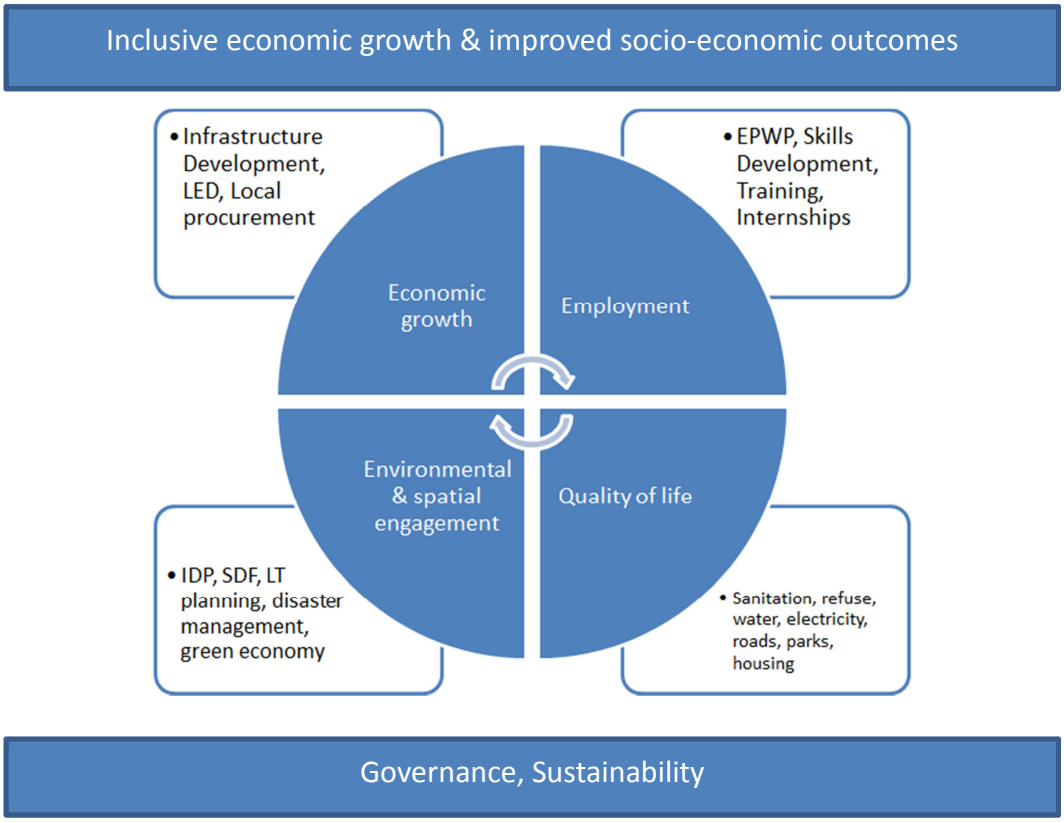
The process plan does not have time frames and resources as indicated in the narrative of the diagram. It is not clear what the purpose of these consultations is during the process of reviewing the IDPs. This clarity is critical because it provides an indication of the extent to which the municipality generated new issues from communities or provided feedback and discussed on how to deal with challenges.

5.1.2 Socio-economic Impact & Allocative Efficiency

This section examines if the tabled 2014/15 MTREF Budget is responsive from an economic and socio-economic perspective and whether the municipality is able from its limited resources to meet the legitimate expectations of the community for services.

The responsiveness assessment will be tested against the following key elements of the Metacog for local government namely; economic growth, employment, quality of life and environmental and spatial engagement.

Figure 1 Inclusive economic growth and improved socio-economic outcomes



The Socio- economic Snapshot

The socio- economic snap shot provides a brief overview of the socio- economic conditions prevailing in the Overstrand Municipal Area.

Table 3 Socio-economic snapshot: Overstrand Municipality

Municipality	Population size			Unemployment Rate		GDP (2011)		Literacy Rate	Human Development Index		Gini-Coefficient	
	2001	2011	Average Annual Growth	2001	2011	GDP (R in Million	GDP Per capita	2011	2011	2012	2011	2012
Overberg District	203 520	258 176	2.4%	17.5	17.0	7637	29 580	81.1	0.69	0.69	0.58	0.59
Theewaterskloof	93 276	108 790	1.6%	18.6	14.9	2727	25 070	78.4	0.66	0.66	0.58	0.59
Overstrand	55 735	80 432	3.7%	22.0	23.3	2605	32 389	87.5	0.73	0.73	0.58	0.58
Cape Agulhas	26 183	33 038	2.4%	13.6	13.8	1320	39 957	81.1	0.70	0.70	0.57	0.57
Swellendam	28 077	35 916	2.5%	15.7	11.4	963	26 808	74.2	0.67	0.68	0.58	0.59

Source: Regional Development Profile: Overberg District, 2013

- Overstrand's population accounts for the second largest proportion of the Overberg District population after Theewaterskloof, growing by 3.7 per cent on average per annum from 55 735 in 2001 to 80 432 in 2011.

- Overstrand municipal area recorded a GDP of R2 605 million and a GDP per capita of R32 389. GDP per capita is often considered an indicator of a country's standard of living. The GDP per capita of Overstrand (R32 389) is higher than the Overberg regional average (R29 580) but lower than the Western Cape (R55 094) and South Africa's GDP per capita (R37 268).

- Overstrand's unemployment rate has increased with 1.3 percentage points from 22 per cent in 2001 to 23.3 per cent in 2011, which is 6.3 percentage higher than the unemployment rate of the Overberg District.

- Overstrand has a literacy rate of 87.5 per cent, which is higher than the Overberg district average of 81.1 per cent and that of the neighbouring locals. Overstrand's literacy rate is also higher than that of the Western Cape (87.2 per cent). Higher literacy rates are often characterised by higher levels of income which positively affects household income and municipal revenue.

- Although Overstrand's HDI measured relatively high at 0.73 in 2012, there is still room for improvement in terms of human development (education, health, nutrition, gender, etc.)

- In terms of the Gini coefficient, Overstrand measures high levels of inequality (0.58). The municipality has indicated that they will work with the private sector and other spheres of government to improve income levels through quality jobs, education and entrepreneurship.

5.1.3 Economic growth

Current reality

- The SA economy grew at an average of 3.6 per cent per annum during the period 2000 – 2011. The growth forecast for 2014 is 3.5 per cent (MERO 2013), and 3.5 per cent in 2016 (World Bank, 2014).

- The Western Cape economy is forecast to grow at an average of 3.8 per cent per annum during the period 2013 – 2017 (MERO 2013), which is slightly higher than the national growth forecast for the same period.

- According to MERO 2013, Overstrand municipality grew the fastest at 6.8 per cent per annum over the review period 2000 – 2011, compared to Cape Agulhas (5.7 per cent), Swellendam municipality (4.8 per cent), Theewaterskloof municipality (3.7 per cent).

Table 4 Overberg District: Real GDPR growth outlook, 2012 – 2017

Sector	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam	Overberg
Agriculture, forestry and fishing	-0.4	-0.3	1.0	-3.3	**-0.7**
Mining and quarrying	-5.4	-7.2	7.1	-8.5	**0.1**
Manufacturing	5.1	7.5	6.9	9.8	**6.7**
Electricity, gas and water	-0.4	-4.3	2.6	6.1	**1.1**
Construction	9.8	8.1	10.0	9.2	**9.0**
Wholesale and retail trade, catering and accommodation	1.0	4.8	0.6	7.3	**3.6**
Transport, storage and communication	2.8	9.5	0.5	11.1	**6.3**
Finance, insurance, real estate and business services	13.0	10.8	10.6	4.5	**11.0**
Community, social and personal services	1.3	4.6	6.1	3.7	**3.6**
General government	0.0	4.3	6.2	3.2	**3.3**
Total	**3.7**	**6.8**	**5.7**	**4.8**	**5.2**

Source: MERO 2013

- Overstrand municipality's must continue to ensure support for it's the top five growing sectors during 2000 – 2011 namely: Finance, insurance, real estate and business (10.8 per cent); Transport, storage and communication (9.5 per cent); Construction (8.1 per cent); Wholesale, retail trade, catering & accommodation (4.8 per cent); and Community, social and personal services (4.6 per cent).

- According to MERO 2013 location quotients of the OBD, the following sectors (in order of strength of revealed comparative advantage) should be supported out of the 22 main industry groups of the OBD: agriculture, forestry & fishing and the associated agro-processing industries (4.73) construction (2.25), non-metal minerals (1.93), catering & accommodation (1.98); furniture, business services and radio, TV (1.17) & professional equipment manufacturing (1.93).

- The municipality indicates that they will create conducive business environment taking into consideration business needs to ensure effective and efficient systems to do business in the area.

- The municipality has business retention and expansion programmes (BR&E) which is geared at helping existing businesses to survive and grow within the local economy. The BR&E uses locally driven approaches that are beneficial in building social capital that assist in building trust and co-operation without which economic development can be very difficult.

- In addition the municipalities try to optimise the percentage of the municipal annual budget to be retained by local communities by Promoting the procurement of goods and services from local manufacturers, suppliers and service providers to boost local employment.

- The municipality also capacitates SMME's and emerging contractors within local communities by facilitating the transfer of skills; managerial etc. through learnership programme.

Budget Implications and conclusions

- Economic theory and empirical work suggest that public investment in infrastructure will boost economic growth by stimulating related private sector investments – the so-called "crowding-in effect" – as well as in providing a solid foundation for social development (Swilling, 2006).

Table 5 Capital Expenditure - new assets & renewal of assets

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2014/15	Budget Year +2 2015/16
New assets	154 117	163 275	139 617	70 731	77 825	77 825	92 972	86 162	81 218
Renewal of existing assets			4 147	39 166	48 657	48 657			
Total Capex	154 117	163 275	143 764	109 897	126 482	126 482	92 972	86 162	81 218
New assets as % of total capex	100	100	97	64	62	62	100	100	100

- The capital expenditure budget increases from R154.11 million in 2010/11 to R163.27 million in 2011/12 and thereafter decreases to R143.76 million in 2012/13. The downward trend continues over the MTREF period.

- The current CAPEX indicates that 100 per of the budget will be used on new assets. The municipality is not in-line with National Treasury's recommendation that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets.

- Despite the fact that the CAPEX budget is decreasing over the MTREF Period, R54.3 million (58.4 per cent) of the total CAPEX budget is allocated for trading services in 2014/15, R59.748 million (67.8 per cent) and R54.59 million (67.2 per cent) in 2015/16 and 2016/17 respectively.

- Of the economic infrastructure electricity services (18.3 per cent) receive the highest priority in the capital budget in 2014/15 and the remainder of the MTREF. Water (14.8 per cent) receives the second highest priority in the capital budget in 2014/15 and the remainder of the MTREF.

5.1.4 Employment

Current reality

Table 6 Working age population and Labour Force Details, Overberg District municipal area Census 2011

Census 2011	Labour force	Employed	Unemployed	Unemployment rate
Overberg	112 072	93 061	19 011	17.0
Theewaterskloof	47 644	40 568	7 076	14.9
Overstrand	35 553	27 260	8 293	23.3
Cape Agulhas	14 630	12 613	2 017	13.8
Swellendam	14 246	12 620	1 626	11.4

Source: Regional Development Profile: Overberg District, 2013

- In terms of the table above the size of Overstrand's labour force is 35 553 people of which 27 260 is employed and 8 293 is unemployed. The unemployment rate was recorded as 23.3 per cent in 2011, the highest in the Overberg district.

- In comparison to the district labour force, Overstrand's labour force represents 31.72 per cent of the Overberg district labour force.

Table 7 Employment per six sectors, Overstrand Municipality

Geography	Industry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Change in employment 2000-2011
P1D04M02: Overstrand Local Municipality	PA: Agriculture, forestry and fishing [SIC: 1]	4 940	4 389	3 982	3 639	3 264	2 974	2 756	2 343	1 817	1 443	1 476	1 433	-3 506
P1D04M02: Overstrand Local Municipality	SC: Manufacturing [SIC: 3]	1 907	1 971	2 054	2 081	2 210	2 318	2 378	2 444	2 446	2 340	2 261	2 209	303
P1D04M02: Overstrand Local Municipality	SE: Construction [SIC: 5]	2 947	3 002	3 152	2 843	2 926	3 264	3 581	3 521	3 270	3 021	2 877	2 983	36
P1D04M02: Overstrand Local Municipality	TF: Wholesale and retail trade, catering and accommodation [SIC: 6]	4 290	4 456	4 747	4 669	4 831	5 136	5 211	5 111	4 928	4 670	4 728	4 925	634
P1D04M02: Overstrand Local Municipality	TG: Transport, storage and communication [SIC: 7]	388	420	449	503	534	566	576	591	650	650	652	689	301
P1D04M02: Overstrand Local Municipality	TH: Finance, insurance, real estate and business services [SIC: 8]	2 143	2 514	2 921	3 258	3 553	3 612	3 986	4 296	4 546	4 458	4 439	4 840	2 697

Source: Municipal Economic Review & Outlook, 2013

- The Wholesale and retail trade, catering and accommodation sector employed the most people (4 925) in 2011, followed by finance, insurance, real estate and business services (4 840), construction (2 983) and manufacturing (2 209). The transport, storage and communication sector employed the least people (689) followed by agriculture, forestry and fishing (1 433).

- The biggest net job losses occurred in Agriculture, forestry and fishing sector (3 506) from 2000 to 2011. All the other sectors gained jobs over the same period, specifically the finance, insurance; real estate and business services (2 697) gained the most jobs over the same period.

Budget Implications and conclusions

- The municipality through its LED aims to facilitate an environment that will attract sectors with high value that produce good jobs that are long term and support industries that yield employment opportunities.

- The municipality has been able to create some jobs through its EPWP programme. In 2011/12 the municipality had 34 EPWP projects of which 616 jobs were created. In 2012/13 had 36 EPWP projects of which 675 jobs were created. The projects implemented by the municipality are labour-intensive projects can create short term jobs for the unemployed within the local communities projects to be identified in the CAPEX and OPEX budgets.

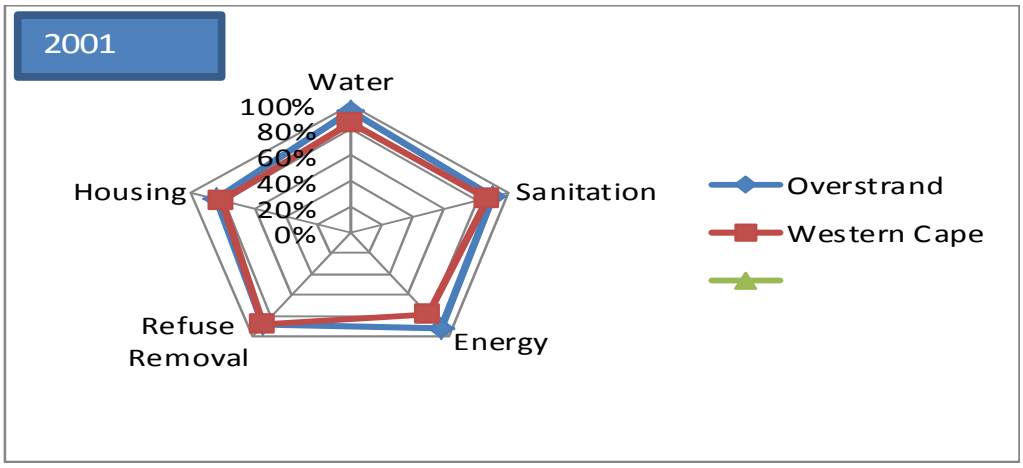
- Table SA7 further indicates that the municipality targets to create 500 temporary jobs each year over the MTREF. Furthermore, 20 jobs will be created through job creation initiatives each year over the MTREF.

- Although the municipality has created some EPWP jobs, there's still a lot to be done to counter the job losses that occurred during the recession and recovery period.

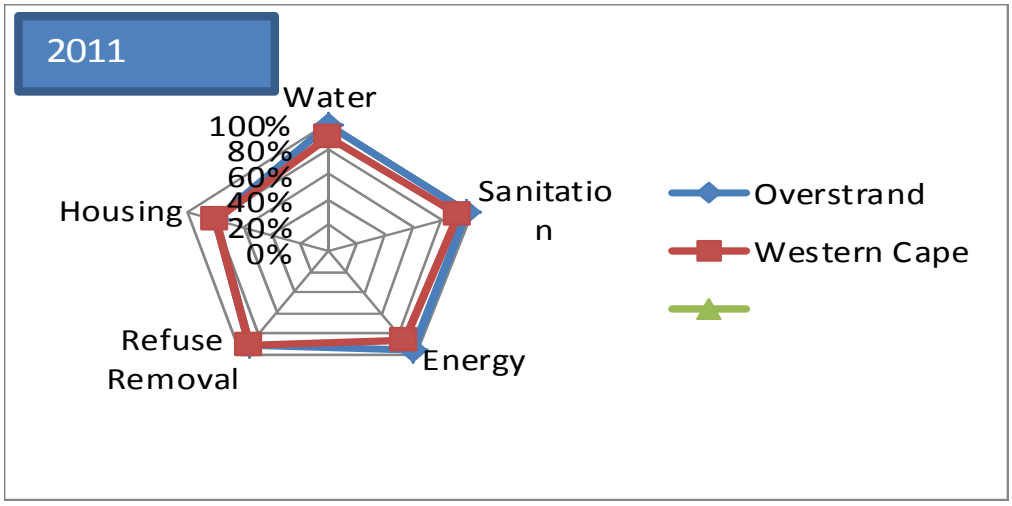
5.1.5 Quality of Life

Current reality

Figure 2 Household Services Hexagon, 2001 & 2011



Source: Statistics South Africa Census 2001



Source: Statistics South Africa Census 2011

Minimum Basic Services	Overstrand		Western Cape	
	2001	2011	2001	2011
Water	95%	99%	85%	88%
Sanitation	90%	97%	87%	91%
Electricity	93%	95%	79%	87%
Refuse Removal	88%	92%	89%	91%
Housing	84%	80%	81%	80%

Source: Census 2001 and Census 2011

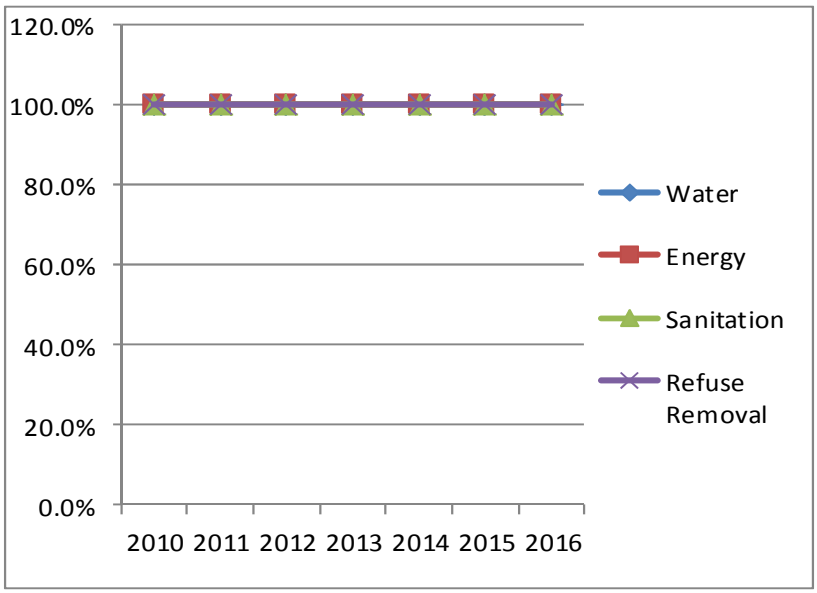
- The Household Services Hexagon above displays the percentage of households receiving the minimum basic services in Overstrand compared to that of the Western Cape.

- In 2001 Overstrand was on par with the Western Cape average in terms of housing, refuse removal and sanitation. It was ahead of the Province with regard to water and energy provision.

- Much improvement has been shown in the provision of all basic services within Overstrand from 2001 to 2011, with the largest improvement in sanitation (7 percentage points %). The percentage of households with formal dwellings has however declined from 84 to 80 per cent from 2001 to 2011. The housing waiting list increased by 4.06 per cent to 6 402 in 2012/13.

- Nevertheless the Municipality was ahead of the Provincial average across all basic services in 2011. It was on par with regard to housing and refuse removal. Over 90 per cent of households have access to water, sanitation, electricity and refuse removal. The Municipality also had the best performance in terms of sanitation and refuse removal in the Overberg District. This indicates that the municipality is doing well in terms of basic service delivery and providing households with a high quality of life.

Figure 3 Basic Service delivery measurement, 2009 - 2017



Source: Overstrand Budget A10 Schedule 2014/15

- The figure above displays the proportion of households with access to minimum basic services and also the projected numbers for the MTREF period in Overstrand.

- Table A10 indicates that from 2010/11 to 2012/13 all households had access to the minimum basic service in energy, sanitation, water and refuse removal. The municipality projects that this trend will continue over the MTREF period. The total number of households reported for electricity is less than the total number of households reported for the other services. This might be households in Eskom areas. Furthermore, the majority of households use prepaid electricity.

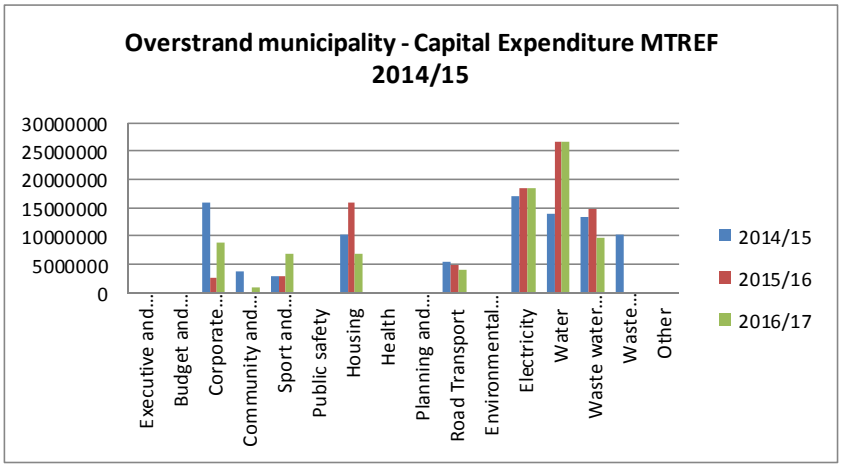
- Generally, the households have high levels of access of services and on par with the provincial average. Furthermore, the municipality has developed a customer care strategy which has been rolled into consumer services charters for electricity, water, sanitation, solid waste management, roads and storm water. For example limit planned interruptions to not more than twice per a year, with maximum 8 hours interruption per event.

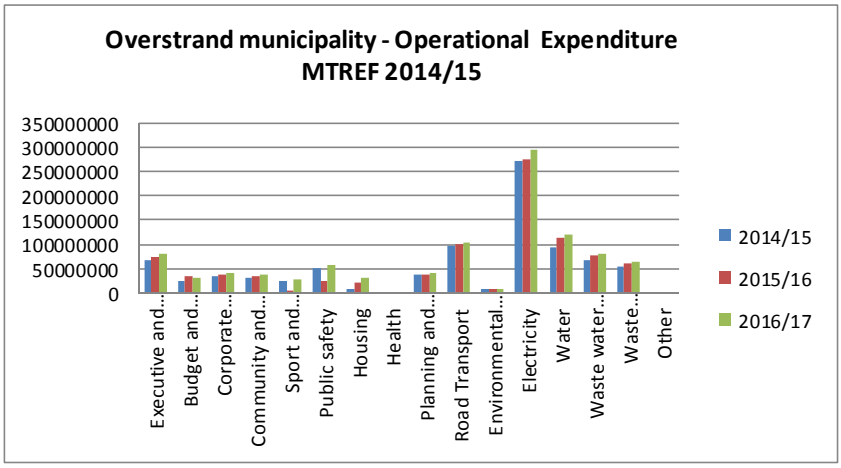
Budget Implications and conclusion

Table 8 Operating, Capital and Total Expenditure

Vote Description	Capital Expenditure - Standard			Operating Expenditure - Standard			Total Expenditure - Standard			Total Budget			Total Budget
R thousand	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17	Composition			Change
Governance and administration	**16 034**	**2 675**	**8 830**	**126 949**	**146 621**	**150 550**	**142 984**	**149 296**	**159 380**	**14.9%**	**14.4%**	**14.5%**	**5.6%**
Executive and council				66 276	75 146	79 304	188 464	75 146	79 304	19.6%	7.2%	7.2%	**-35.1%**
Budget and treasury office	–	–	–	25 539	33 250	30 904	5 328	33 250	30 904	0.6%	3.2%	2.8%	**140.8%**
Corporate services	16 034	2 675	8 830	35 134	38 225	40 342	51 168	40 900	49 172	5.3%	3.9%	4.48%	**-2.0%**
Community and public safety	**17 238**	**18 839**	**13 800**	**114 489**	**132 786**	**151 719**	**131 727**	**151 625**	**165 519**	**13.7%**	**14.6%**	**15.1%**	**12.1%**
Community and social services	3 890			32 137	33 840	36 083	**36 027**	**33 840**	**36 083**	3.7%	3.3%	3.3%	**0.1%**
Sport and recreation	3 039	2 939	6 800	23 042	24 979	26 929	**26 081**	**27 918**	**33 729**	2.7%	2.7%	3.1%	**13.7%**
Public safety				49 934	53 484	57 062	**49 934**	**53 484**	**57 062**	5.2%	5.1%	5.2%	**6.9%**
Housing	10 309	15 900	7 000	9 375	20 483	31 644	**19 684**	**36 383**	**38 644**	2.0%	3.5%	3.52%	**40.1%**
Health				–	–	–	–	–	–	0.0%	0.0%	0.0%	**#DIV/0!**
Economic and environmental services	**5 400**	**4 900**	**4 000**	**139 791**	**148 212**	**154 339**	**145 192**	**153 112**	**158 339**	**15.1%**	**14.7%**	**14.4%**	**4.4%**
Planning and development				37 498	38 304	40 801	**37 498**	**38 304**	**40 801**	3.9%	3.7%	3.7%	**4.3%**
Road transport	5 400	4 900	4 000	95 184	101 235	104 258	**100 584**	**106 135**	**108 258**	10.5%	10.2%	9.9%	**3.7%**
Environmental protection	–	–	–	7 110	8 672	9 280	**7 110**	**8 672**	**9 280**	0.7%	0.8%	0.8%	**14.3%**
Trading services	**54 300**	**59 748**	**54 588**	**488 197**	**526 162**	**558 850**	**542 497**	**585 910**	**613 438**	**56.4%**	**56.3%**	**55.9%**	**6.3%**
Electricity	17 000	18 500	18 500	272 285	275 899	295 013	**289 285**	**294 399**	**313 513**	30.1%	28.3%	28.6%	**4.1%**
Water	13 800	26 594	26 488	93 357	114 724	119 367	**107 157**	**141 318**	**145 855**	11.1%	13.6%	13.3%	**16.7%**
Waste water management	13 300	14 654	9 600	66 910	75 498	79 013	**80 210**	**90 152**	**88 613**	8.3%	8.7%	8.1%	**5.1%**
Waste management	10 200			55 645	60 041	65 458	**65 845**	**60 041**	**65 458**	6.8%	5.8%	6.0%	**-0.3%**
Other				–	–	–	–	–	–	**0.0%**	**0.0%**	**0.0%**	**#DIV/0!**
Total Capital Expenditure - Standard	**92 972**	**86 162**	**81 218**	**869 426**	**953 780**	**1 015 458**	**962 399**	**1 039 942**	**1 096 676**	**100%**	**100%**	**100%**	**#DIV/0!**

Figure 4 Operating & Capital Expenditure 2014/15 MTREF





- The following services received the highest percentage increases in their allocations: Budget and Treasury offices (140%), Housing (40.1%); Water (16.7%), Environmental protection (14.3%) and sport and recreation (13.7 %).

- The following services received the lowest percentage increases in their allocations: Community and social services (0.1%), and roads transport (3.7%)

- The total budget is biased towards trading services which account for 56.8 per cent of the total expenditure in 2014/15 MTREF. Electricity services alone accounts for 29.0 per cent of the total budget.

- Water services receive 11 per cent of the total budget; mainly to replace the aging infrastructure from the capital expenditure budget and to maintain the water distribution network from the operating expenditure budget.

- Waste water management is allocated 8 per cent of the total expenditure budget. The waste water management budget is budgeted for sewage, storm water management and public toilets from the operating budget.

- Community and Public Safety is allocated 13.7 per cent of the total budget in 2014/15 increasing to 15.1 per cent in 2016/17; up by 1.4 percentage points over the MTREF.

- An economic and environmental service is allocated 15.1 per cent of the total budget in 2014/15 decreasing to 14.4 per cent in 2016/17; down by 0.7 percentage points over the MTREF. Roads are allocated the bulk of expenditure at 10.2 per cent of the total expenditure budget.

- Governance and administration is allocated 14.9 per cent of the total budget in 2014/15 decreasing to 14.5 per cent in 2016/17; down by 0.4 percentage points over the MTREF.

5.1.5 Environmental and spatial engagement

Current reality

- The municipality displays a high level of degree of environmental and spatial planning by having the majority planning documents in place. Overstrand municipality has the following documents around Environmental and Spatial Development: an IDP 2013 - 2018, a Spatial Development Framework (2006), Air Quality Management (2013), Growth Management Strategy (2006).

Budget Implication and conclusions

- The allocation in terms of environmental protection increases from R7.11 million in 2014/15 increasing to R8.67 million in 2015/16 and R9.28 million in 2016/17.
- The allocation of environmental protection is allocated to Biodiversity and landscape.

5.1.6 Areas of Interface (MFMA and PFMA) and Gap Analysis

Health	• Noted that chronic disease, including mental illness, burden is not taken up in assessment. This burden is increasing at a substantial rate and will have an impact on the well-being of the citizens in the area and state resources. • No mention initiatives or programmes in support of DoH treatment and prevention programme. • No mention of access to health facilities. It may have been helpful to indicate the population accessing a clinic within defined radius (e.g. 3 km radius) to get an idea of access • The IDP refers to immunisation coverage in the municipality as well as HIV prevalence and care
Education	• No stats on drop-out rates in area. • Literacy is covered on the municipality's IDP, educational attainment, learners progressing through schooling (2013) and matric results for 2012 and 2013.Targets and indicators in the SDBIP relate to ECD such as conduct annual ECD audit and establish ECD database of all crèches in the Overstrand. Assist with the roll out of ECD. programmes etc.
Human Settlements	• The municipality has a housing strategy .The strategy aim to accelerate delivery of housing opportunity. Optimal and sustainable use of resources.
Environmental Affairs	• The Provincial Spatial Development Framework will be considered for approval by Cabinet in 2014. It is therefore suggested that the assessment report align recommendations to the principles provided by the PSDF with regard to coordination, integration and alignment of national, provincial and municipal land use planning and development. The Growth Potential of Towns study highlighted Overstrand municipality as possessing a very high growth potential in comparison to other municipalities. To this end, The Growth Potential of Towns study should be utilised as to draw out driving factors for development in the area.
Economic Development and Tourism	• LED initiatives, skills development initiatives; and SMME development initiatives are not noted. The tourism and informal sectors are also mentioned. The municipality has business retention and expansion programme (BR&E) which is geared at helping existing businesses to survive and grow within the local economy. • The municipality also capacitates SMME's and emerging contractors within local communities by facilitating the transfer of skills; managerial etc. through learnership programme.

SECTION 6: CREDIBILITY AND SUSTAINABILITY

6.1 REVIEW OF THE PREVIOUS YEAR'S BUDGET

PART 1: THE BUDGET PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

This part of the assessment check whether the municipality tabled a surplus or deficit budget to determine if possible imbalances exist within the budget and also probes the reason(s) for such.

Findings:

- The small variances between the actual outcomes and the budgeted figures in the recent financial year indicate the quality of the budgeting and planning by the municipality.

6.2 REVIEW OF THE NEW (2013/14) MTREF

PART 1: REVIEW OF THE BUDGET ASSUMPTIONS

Objective:

The assessment is based on the budget assumptions of the municipality. The budget assumptions are reviewed for completeness, credibility and reasonableness as it forms the basis upon which the new MTREF is prepared.

Findings:

- The overall budget assumptions are credible and reasonable but is not complete.
- No information in the budget on any projected roll-overs and unspent conditional grants.
- The municipality has a long-term financial plan in place which indicates the funding strategy of its medium to long-term plan.

PART 2: FINANCIAL PERFORMANCE AS PER THE AUDITED ANNUAL STATEMENTS

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements and audit report using selected financial ratios/norms. The results of the financial ratios/norms are used to support financial decisions and to identify factors which may influence the financial stability of the municipality. It is also to enable timely corrective action where service delivery may be at risk. The assessment is

according to the selected key financial ratios/norms as per National Treasury MFMA Circular No. 71, as indicated in the table below:

Table 9 Key Financial Ratios & Norms: 2008/09 – 2012/13

Financial Year	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited	Norm
FINANCIAL POSITION						
Asset Management						
Capital Expenditure to Total Expenditure	24.26%	13.19%	11.76%	10.04%	9.76%	10%- 20%
Impairment of Property, Plant & Equipment & Investment Property & Intangible Assets (Carrying Value)	0%	0%	0%	0%	0.29%	0%
Depreciation/Operating Revenue	8.29%	20.76%	17.68%	16.76%	14.77%	20%
Repair & Maintenance/Property, Plant & Equipment & Investment Property (Carrying Value)	1.43%	1.50%	1.87%	1.78%	0.39%	8%
Debtors Management						
Net Debtors Days	38 days	31days	32 days	32 days	30 days	30 Days
Liquidity Management						
Cash/ Cost Coverage Ratio (Excl. Unspent Conditional Grants)	0 months	1months	1months	2 month	1month	1- 3 Months
Current Ratio	0.83	1.12	1.63	1.67	1.28	1.5 - 2:1
Liability Management						
Debt (Total Borrowings)/Total Operating Revenue	36.64%	37.75%	46.51%	59.94%	59.35%	45%
Capital Cost / Total Operating Expenditure	3.67%	6.26%	3.74%	6.22%	6.85%	6%- 8%
FINANCIAL PERFORMANCE						
Distribution Losses						
Electricity Distribution Losses (Percentage)	10.60%	9.30%	8.37%	7.12%	6.91%	7%- 10%
Water Distribution Losses (Percentage)	27.25%	27.43%	24.24%	20.36%	20.01%	15%- 30%
Expenditure Management						
Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure	0.82%	0.03%	0.05%	4.13%	2.65%	0%
Remuneration as %of Total Operating Expenditure	32.13%	29.58%	29.88%	29.20%	32.02%	25%- 40%
Contracted Services %of Total Operating Expenditure	1.57%	2.60%	3.15%	3.27%	9.07%	2%- 5%

Source: Overstrand Municipality Audited AFS: (2008/09 - 2012/13)

Assessment:

Asset Management

- **Capital Expenditure to Total Expenditure**: The level of investment has decreased year-on-year from 24.26 per cent in 2008/09 financial year to 9.76 per cent in 2012/13 financial year. Material under spending in the following capital components has been noted for the year 2012/13: Housing,

Public Safety (material in percentage), Water/Water Distribution, Electricity/ Electricity Distribution and Waste Management. However, the closing stock on housing is more than budgeted due to additional housing stock identified at year-end to the value of R10.52 million. In aggregate, 25.57 per cent of the projects were not complete, unspent allocations have been rolled over to the following year.

- **Impairment of PPE, IP & Intangible Assets:** The impairment of the municipality is less than 1 per cent and slightly above the norm of 0 per cent. The ratio has fluctuated year-on-year, with an ultimate increase to 0.29 per cent in the 2012/13 financial year. The value of impairment in amount has increased materially from R3.11 million in 2011/12 financial year to R9.2 million in 2012/13 financial year. This is primarily due to the impairment of heritage assets and land whose fair value has been affected by the construction of a new road.

- **Depreciation /Operating Revenue**: The ratio has fluctuated year-on-year with a decrease from 16.76 per cent in 2011/12 financial year to 14.77 per cent in 2012/13. Depreciation has also decreased in value by R4.85 million from R100.93 million in 2011/12 financial year to R96.08 million in 2012/13 financial year. This is mainly due to a decrease in the depreciation for Infrastructure Assets from R87.04 million to R81.02 million. The municipality has additions of R65.65 million on infrastructure assets, and change in accounting policy has been noted in terms of depreciation.

Repairs & Maintenance/Carrying Amount of PPE & Investment:

The table is showing a year-on-year fluctuation of the ratio from 2008/09 financial year to 2012/13 financial year. Repairs and maintenance has decreased substantially in percentage and in amount by 77.21 per cent from R54.58 million to R12.44 million. This is as a result of MFMA Circular 54 requesting the municipalities to differentiate between actual amounts of materials spent on repairs and maintenance and that of contractors paid to perform the work. Attention is drawn to Note 39; where the maintenance contractors are stipulated to have costed R45.38 million.

Debtors Management

- **Net Debtors Days:** The debtors' collection period after allowance for impairment has improved over the five year period. The collection period has decreased from 38 days in 2008/09 financial year to 30 days in 2012/13 financial year. The ratio is currently within the NT norm of 30 days, and therefore the municipality is commended for the healthy collection period. This is further substantiated by the cash flow receipts of sales in relation to service charges that are 100.86 per cent.

Liquidity Management

- **Cash/Cost Coverage Ratio**: The cash and cash equivalents of the municipality will be able to cover the operating expenditure for one month without any cash inflows. The municipality has positive cash flow activities as illustrated above. The municipality needs to build on its positive revenue collection.

- **Current Ratio**: The table shows year-on-year fluctuations, with a decrease in 2012/13 financial year from 1.67:1 to 1.28:1. Healthy increase has been incurred by the municipality within its working capital, but there has been a material decrease of the cash and cash equivalents by R42.55 million from R126.7 million to R84.15 million. This is mainly due to increase in the cash payments made to employee cost of R25.25 million and suppliers by R18.35 million.

Liability Management

- **Debt (Total Borrowings/Total Operating Revenue)**: The ratio in the table above shows an increasing trend until 2011/12 financial year and decrease to 2012/13 financial year. Nevertheless, the amount in value of the total debt has shown an increasing trend over the five year period under review. The increase in the amount of debt is influenced by the investment by the municipality in developing the infrastructure within its area if jurisdiction. The debt is made up of DBSA loans (42.92 per cent), ABSA Annuity Loans (44.60 per cent) and INCA (12.28 per cent). Based on the Cash Flow Statement, 54.2 per cent of investing activities have been financed by cash flows from operating activities and the balance has been supplemented by cash flow from financing activities (debt). The municipality's borrowings are above the norm of 45 per cent as per NT Circular 71.

- **Capital Cost/Total Operating Expenditure:** The results of the ratio show an increase year-on-year from 3.67 per cent in 2008/09 financial year to 6.85 per cent in 2012/13 financial year. Repayment on borrowings have increased by 10.67 per cent from R46.22 million in 2011/12 financial year to R51.15 million in 2012/13 financial year. This is as a result of the debt increase mentioned in the above ratio of debt management. The management could revise the funding mix strategy and minimise borrowing to an acceptable level. However, this would heavily depend on the management's decision on models of service delivery.

Distribution Losses

- **Electricity Distribution Losses**: The table is illustrating a decreasing trend year-on-year from 10.6 per cent in 2008/09 financial year to 6.91 per cent in

2012/13 financial year. Even though the ratio has decreased, the distribution losses have increased in value from R6.51 million in 2011/12 financial year to R7.1 million in 2012/13 financial year. The loss is due to technical losses caused by the nature of electricity and the manner of its distribution via the network and non-technical losses caused by theft and vandalism.

- **Water Distribution Losses**: The table shows a fluctuating trend year-on-year on the water distribution losses, with an ultimate decrease to 20.01 per cent in 2012/13 financial year. Water units lost in value have increased from R2.89 million in 2011/12 financial year to R3.83 million in 2012/13 financial year. These losses are as a result of unmetered connection and leakages due to aging water infrastructure assets. The municipality is advised to embark on an infrastructure replacement project in order to recover the potentially lost revenue through reticulation losses.

Expenditure Management

- **Irregular, Fruitless & Wasteful and Unauthorised expenditure**: The ratio of these expenditures has fluctuated over the five year period under review. It has decreased from 2011/12 financial year by 35.74 per cent from 4.13 per cent (2011/12) to 2.65 per cent in 2012/13 financial year. Irregular expenditure of R11.46 million in 2012/13 financial year has been noted. The municipality is advised to improve adherence to procurement procedures required by legislation.

- **Remuneration (Employee Related Costs & Councillors Remuneration)**: The ratio has been fluctuating over the five year period of assessment. The ratio has increased to 32.02 per cent in the 2012/13 financial year. The remuneration in value is showing an increasing trend over the five year period. Even though this is a non-discretionary expenditure to labour intensive entities such as municipalities, the municipality does not have indicators of over staffing. The municipality has maintained a healthy ratio in relation to remuneration costs.

- **Contracted Service/Total Operating Expenditure**: The table shows an increasing trend of the ratio from 1.57 per cent (2008/09) to 9.07 per cent (2012/13). The contracted services for the 2012/13 financial include payments made for repairs and maintenance of R45.38 million; which had to be included in contracted service because of the requirements of Circular 54. Subtracting that amount; the municipality had minimal contracted services of R22.22 million which would have been 2.98 per cent of the total operating expenditure.

Recommendations:

- The municipality should consult its asset management plan in order to acquire assurance that the amount spent on repairs and maintenance are adequate to secure the on-going health of the municipality's infrastructure and to improve on its budget implementation of Capex.
- To further protect its revenue, the municipality should ensure that distribution losses in water and electricity are well managed by putting appropriate strategies in place and fully account for non-revenue water and electricity technical and non-technical losses.
- With regard to the unauthorised, irregular, fruitless and wasteful expenditure, the municipality should continue to prevent, identify, investigate and respond appropriately according to the MFMA, and ensure that officials are accountable.
- With regard to expenditure efficiency which aims to eliminate non-priority spending, National Treasury has issued cost-containment measurement, Overstrand Municipality should ensure implementation of these measures in preparation of 2013/14 AFS.

PART 3: REVIEW OF TARIFFS FOR TRADING SERVICES AND FREE BASIC SERVICES

Objective:

This part of the assessment checks the cost reflectiveness of the tariffs and reviews the level of free basic services against the national policy and guidelines.

Table 10 Revenue and Expenditure link – Trading and Economic Services

Standard Classification Description	Operating Revenue			Operating Expenditure			Net Result (surplus or deficit)		
R thousand	Budget Year +1 2014/15	Budget Year +2 2015/16	Budget Year +2 2016/15	Budget Year +1 2014/15	Budget Year +2 2015/16	Budget Year +2 2016/15	Budget Year +1 2014/15	Budget Year +2 2015/16	Budget Year +2 2016/15
Trading services	**541 022**	**579 775**	**602 325**	**488 197**	**526 162**	**558 850**	**52 826**	**53 612**	**43 475**
Electricity	312 305	335 388	352 135	272 285	275 899	295 013	40 020	59 489	57 123
Water	96 872	106 070	111 585	93 357	114 724	119 367	3 515	(8 654)	(7 782)
Waste water management	72 155	77 967	75 459	66 910	75 498	79 013	5 245	2 469	(3 554)
Waste management	59 691	60 350	63 146	55 645	60 041	65 458	4 045	309	(2 311)

Source: A2 Schedule

Findings:

- The comparisons indicate that trading services do not generate a surplus over the entire MTREF period, deficits are noted for water, waste water and waste management which suggest that tariffs might not be fully cost reflective.

PART 4: THE CREDIBILITY AND SUSTAINABILITY OF THE BUDGET

A. THE BUDGET OVERVIEW

Objective:

This part of the assessment check whether the municipality had tabled a surplus or deficit budget to determine if possible imbalances exist within the budget and also probes the reason(s) for such.

Table 11 The Budget Overview and Comparisons

MUNICIPALITIES	Overstrand			Breede Valley			Mosselbay		
Description	2014/15 Medium Term Revenue & Expenditure Framework			2014/15 Medium Term Revenue & Expenditure Framework			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Revenue (excl. capital transfers and contributions)	785 691	855 339	911 867	690 438	755 951	806 888	760 769	797 973	841 341
Total Operating Expenditure	869 426	953 780	1 015 458	731 519	792 065	838 547	781 184	818 141	862 958
Surplus/(Deficit)	(83 736)	(98 441)	(103 591)	(41 081)	(36 114)	(31 658)	(20 415)	(20 169)	(21 617)
Total Capital Expenditure	92 972	86 162	81 218	82 513	52 075	5 923	123 240	109 248	102 844
Non Cash Items	109 265	111 199	112 750	63 458	58 796	60 229	63 458	58 796	60 229
Debt impairment									
Depreciation & asset impairment	109 265	111 199	112 750	63 458	58 796	60 229	63 458	58 796	60 229
Total Restated Result	25 530	12 758	9 159	22 377	22 682	28 570	43 043	38 628	38 612
Total Budget	962 399	1 039 942	1 096 676	814 032	844 140	844 470	904 424	927 389	965 803

Source: PT generated based on A1 - Budget Schedules

Findings:

- The Municipality has tabled deficit budgets for the MTREF period which is mainly caused by non-cash items like depreciation and asset impairment.
- The depreciation is however partially cash backed.
- The non-cash items amount to R109.27 million, R111.20 million and R112.75 million over the MTREF period and if discounted from the total budget deficit, results in a restated budget surplus of R25.53 million, R12.76 million and R9.16 million.
- It should however be noted that depreciation is an expenditure which should be supported by cash surpluses to make provision for the replacement of assets in the future.
- In this regard all municipalities must develop a strategy and policy which determines the ratio and method of how the asset replacement program will be funded. This policy must be approved by the respective municipal councils.
- A comparison of the Overstrand Municipality to the Breede Valley and Mossel Bay indicated that all the municipalities have tabled deficit budgets.
- In all instances, the analysis indicates that depreciation is partially cash backed.

B. REVIEW OF THE OPERATING REVENUE BUDGET

Objective:

This part of the assessment reviews the main operating revenue sources against the criteria for completeness, credibility and reasonability and highlights disparities for discussion.

Table 12 Operating Revenue

MUNICIPALITIES	Overstrand					Breede Valley			Mosselbay		
R thousand	Actual YTD - Feb'2014	YTD % of Adj Budget-Feb'2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	87 669	69.07	148 640	158 025	165 498	93 991	100 006	106 407	89 111	94 458	100 125
Property rates - penalties & collection charges	553	55.28	1 050	1 103	1 158	445	474	504	1 550	1 659	1 775
Service charges - electricity revenue	183 393	64.36	310 085	333 146	349 869	321 696	342 285	364 191	312 399	331 143	351 012
Service charges - water revenue	62 666	67.28	95 897	99 943	105 503	49 164	52 310	55 658	86 940	92 157	97 686
Service charges - sanitation revenue	42 172	67.12	63 455	66 997	70 759	53 085	56 482	60 097	42 347	44 872	47 573
Service charges - refuse revenue	35 283	66.65	56 130	59 500	63 074	30 068	31 993	34 040	32 745	34 710	36 792
Service charges - other						(23 172)	(24 656)	(26 235)	31 605	33 525	35 528
Rental of facilities and equipment	5 970	69.82	7 966	8 739	9 615	13 116	13 956	14 849	5 989	6 337	6 739
Interest earned - external investments	3 756	53.52	6 166	6 210	6 255	7 200	7 661	8 151	14 010	14 711	15 446
Interest earned - outstanding debtors	1 398	63.42	2 288	2 234	2 322	2 522	2 683	2 855	183	194	186
Dividends received			–	–	–	–	–	–	–	–	–
Fines	4 500	59.77	7 965	7 378	7 817	16 313	17 357	18 468	18 382	19 485	20 656
Licences and permits	1 351	66.03	2 229	2 447	2 686	3 452	3 673	3 908	5 084	5 361	5 654
Agency services	1 600	70.95	2 480	2 727	3 000	5 300	5 639	6 000	–	–	–
Transfers recognised - operational	42 821	61.08	59 724	84 037	99 909	111 041	139 473	150 956	91 529	97 477	100 989
Other revenue	13 086	60.82	21 617	22 855	24 404	6 217	6 615	7 039	28 783	21 767	21 055
Gains on disposal of PPE						–	–	–	112	118	125
Total Revenue (excluding capital transfers and contributions)	**486 217**	**65.41**	**785 691**	**855 339**	**911 867**	**690 438**	**755 951**	**806 888**	**760 769**	**797 973**	**841 341**

Source: Budget Schedules A4

Findings:

Property Rates

1) Property rates constitutes about 18.5 per cent of the operating revenue budget.

2) Total property rates revenue budget increase by 17.11 per cent from the previous year. This is influenced by the tariff increase of 15 per cent, which is above the CPIX estimates. This tariff increase is considerably high and not recommended as it will put more pressure on the outstanding debtors.

3) The outstanding debt for property rates increased by R1.80 million or 12 per cent on an annual basis as at 28 February 2014.

4) The projected collection rate of a 99 per cent for property rates is in line with the budget assumptions and is realistic based on the current and past performance.

Service Charges: Electricity

1) Electricity sales is a significant (38.9% average over MTREF) component in the operating revenue budget which suggests a high level of reliance by the municipality on this revenue source. This seems to be the same in the case of Breede Valley and Mossel Bay municipalities.

2) Total electricity revenue increase by only 8.83 per cent from the previous year. The tariff increase is between 7.29 and 7.31 per cent for the indigents consumption (up to 350 kWh), which is within the NERSA upper limit of 7.34 per cent, and 8 per cent (1 500 kWh) for the higher residential consumers to offset the additional bulk purchase cost from 1 July 2014.

3) The municipality timeously submitted an application to NERSA for the approval of the electricity tariffs.

4) The municipality did implement the inclining block tariff structure as prescribed by NERSA.

5) The outstanding debtors for electricity decrease by R2.11 million or 12.6 per cent on an annual basis which is commendable.

6) The projected collection rate of a 99 per cent for electricity is in line with the budget assumptions and is realistic based on current and past performance.

7) The current number of electricity users (60%) provided with prepaid electricity meters is considered reasonable high and indicates a direct link with the decrease in the outstanding debtors in respect of electricity.

8) The electricity tariff includes a basic fee or available charge which is the same with the comparing municipalities. The impact is yet to be determined as this is the first year of its introduction.

9) Electricity distribution losses of 6.67 per cent are below the maximum range of 10 - 12 per cent.

Service Charges: Water

1) Water is not a significant (11.8%) component in the operating revenue budget.

2) The municipality also utilises an inclining block tariff structure which could also be the reason for a decrease in the outstanding debtors.

3) The tariff increase of 6 per cent for the 2014/15 year is sustainable as it is in line with the CPIX as projected by the National Treasury.

4) It is also noted that consumer debtors related to water are showing a year-on-year decrease of R1.21 million or 7.4 per cent which is an indication that the tariff increases over the three years are realistic.

5) Water distribution losses (20.23%) are within the acceptable norm as per MFMA Circular 71. However, the municipality is advised to exercise caution in this regard as Overstrand is declared a water scarce municipality area.

6) The municipality provides the 6 kiloliters water per 30-day period for free to those households that are registered as indigents.

Service Charges: Sanitation

1) The total budgeted revenue from this source constitutes only 7.9 per cent of the 2014/15 operating revenue budget.

2) The average tariff increase amounts to 6.02 per cent which is in line with the inflation increase recommended by National Treasury.

3) Consumer debtors related to sanitation are showing a year-on-year increase of R279 Thousand or 3.2 per cent as at 28 February 2014. However, based on the past performance, the municipality will be able to achieve the targeted collection rate.

Service charges: Refuse Removal

1) The total budgeted revenue from this source constitutes only 7.0 per cent of the 2014/15 operating revenue budget.

2) The average tariff increase amounts to 6.0 per cent which is in line with the inflation increase recommended by National Treasury.

3) Consumer debtors related to refuse removal are showing a year-on-year increase of R392 Thousand or 6.8 per cent as at 28 February 2014.

4) The projected collection rate of a 99 per cent for refuse removal is in line with the budget assumptions and is realistic based on current and past performance.

5) The municipality is set to resolve the Karwyderskraal landfill site issue during the 2014/15 financial year by entering into a long term lease agreement with the

District municipality for a portion of the land at Karwyderskraal to develop further cells.

Fines

1) The total budgeted revenue from fines is not a significant part of the budget which is considered prudent and realistic.

2) The comparison to the Breede Valley and Mossel Bay municipalities indicates that Overstrand municipality budgeted significantly lower for revenue from fines.

Transfers recognised – Operational

1) The municipality does not rely heavily on operational grants as it only funds 9.5 per cent its daily operations by means of such grant.

2) The Supporting A-schedule (SA18) does reconcile to the Provincial Gazette and the Division of Revenue Bill.

C. REVIEW OF THE OPERATING EXPENDITURE BUDGET

Objective:

This part of the assessment reviews the main operating expenditure items against the criteria for completeness, credibility and reasonability and highlights disparities for discussion.

Table 13 Operating Expenditure

MUNICIPALITIES	Overstrand					Breede Valley			Mosselbay		
R thousand	Actual YTD - Feb'2014	YTD % of Adj Budget- Feb'2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type											
Employee related costs	169 271	67.48	280 694	302 019	322 259	237 173	254 711	275 141	224 738	237 703	253 122
Remuneration of councillors	4 955	65.40	8 516	9 069	9 702	14 639	15 811	17 076	9 392	9 953	10 547
Debt impairment						–	–	–	30 180	32 293	33 907
Depreciation & asset impairment	68 047	65.55	109 265	111 199	112 750	63 458	58 796	60 229	55 441	59 083	62 300
Finance charges	16 320	38.59	44 535	46 691	48 839	25 867	23 420	20 018	2 781	2 920	3 095
Bulk purchases	96 434	61.46	169 444	183 000	197 640	226 802	239 050	251 958	223 719	236 695	253 263
Other materials	8 039	53.40	17 295	20 201	19 151	43 452	47 445	51 786	10 161	10 845	11 605
Contracted services	41 878	55.90	80 439	95 248	100 837	8 167	8 608	9 081	38 535	40 360	42 866
Transfers and grants	25 635	66.13	41 370	44 065	46 708	212	223	236	1 210	1 289	1 377
Other expenditure	72 173	53.89	117 869	142 288	157 571	111 748	144 001	153 022	183 900	185 812	189 620
Loss on disposal of PPE						–	–	–	1 127	1 189	1 255
Total Expenditure	**502 751**	**61.01**	**869 426**	**953 780**	**1 015 458**	**731 519**	**792 065**	**838 547**	**781 184**	**818 141**	**862 958**

Source: 2014/15 Budget Schedules (A4-FinPerf-Re)

Detailed Employee Related Costs

Findings:

1) The total budgeted employee related costs of R280.69 million constitutes about 32.28 percent of the total operating expenditure budget which also constitutes to an increase of 11.19 per cent when compared to the adjusted budget of 2013/14.

2) In its efforts on cost containment measures, the Municipality indicated that cost reprioritisation and cash management strategy have been significantly rationalised downwards and also additional expenditure against overtime and stand-by was investigated.

3) Furthermore, the employment contracts of the Accounting Officer and the Section 56 Employees stipulate that they will receive no bonuses with effect from 1 July 2010. This effort is exemplary and commendable.

Remuneration of councillors

Table 14 Remuneration of councillors

Summary of Councillor remuneration	Overstrand			Breede Valley			Mosselbay		
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Council Grading: Level 4	Level 3			Level 4			Level 4		
Total Budget	962 399	1 039 942	1 096 676	814 032	844 140	844 470	904 424	927 389	965 803
No of Councillors (Political Office Bearers)	25	25	25	41	41	41	27	27	27
Basic Salaries and Wages	7 968	8 658	9 265	10 252	11 072	11 958	8 740	9 264	9 820
Pension and UIF Contributions				957	1 034	1 117			
Medical Aid Contributions				121	130	141			
Motor Vehicle Allowance				2 169	2 343	2 530			
Cellphone Allowance	548	411	438	914	987	1 066			
Housing Allowances				68	74	80			
Other benefits and allowances				158	170	184	653	689	727
Sub Total - Councillors	8 516	9 069	9 702	14 639	15 811	17 076	9 392	9 953	10 547
Annual increase in Totals	6.7%	6.5%	7.0%	6.8%	8.0%	8.0%	7.6%	6.0%	6.0%

Source: Budget Schedule SA22 and SA24

Findings:

1) Remuneration of councilors constitutes 0.98 per cent of the total 2014/15 operating budget and the year-on-year comparison indicates an increase of 6.7 per cent for the 2014/15 financial year which is slightly above the 5 per cent increase that was published by the minister of Cooperative Governance and Traditional Affairs.

2) Tables SA22 and SA23 for the remuneration of Councilors do reconcile which further confirms the credibility of the information provided by the municipality.

Bulk purchases

1) Bulk purchases amount to R169.44 million and therefore account for 19.49 per cent of the 2014/15 operating expenditure budget.

2) Overstrand's bulk purchase seems low when compared the two paired municipalities (Breede Valley and Mossel Bay) due to the municipality having its own dam and therefore only buys electricity in bulk.

3) The budgeted amount translates to an increase of 8 per cent when compared to the 2013/14 adjusted budget which is mainly attributed to the 8 per cent price hike in bulk electricity supplied by Eskom.

Debt impairment

1) The provision of debt impairment was determined based on an annual collection rate of close to 100 per cent and the debt write-off policy of the Municipality. For the 2014/15 financial year this amount equates to a zero provision as the current provision is set to decrease slightly over the medium term.

Finance Charges

1) Finance charges show an increase of 5.3 per cent from R42.29 million in 2013/14 to R44.54 million in 2014/15. This is influenced by the high number of borrowings which has seen the municipality reaching the ceiling**.** The municipality indicated that it will not be taking any more loans.

Depreciation and asset impairment

1) Depreciation and asset impairment increased by 7.05 per cent from R102.07 million in 2013/14 to R109.27 million in the 2014/15 budget year which indicates acquisition of new assets was not significant. However, the municipality will commission a new 66 KVA sub-station during 2014/15 and this will influence both the assets and depreciation.

2) The depreciation is not fully cash backed which resulted into a deficit budget.

Contracted Services

Table 15 Summary of Contracted Services and Comparisons per Municipality

Municipalities	Overstrand			Breede Valley			Mosselbay		
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Contracted Services	80 439	95 248	100 837	8 167	8 608	9 081	38 535	40 360	42 866
Total Opex	869 426	953 780	1 015 458	731 519	792 065	838 547	781 184	818 141	862 958
Ratio in %	**9.25%**	**9.99%**	**9.93%**	**1.12%**	**1.09%**	**1.08%**	**4.93%**	**4.93%**	**4.97%**
Total Employee Related Costs	280 694	302 019	322 259	237 173	254 711	275 141	224 738	237 703	253 122
Ratio in %	**28.66%**	**31.54%**	**31.29%**	**3.44%**	**3.38%**	**3.30%**	**17.15%**	**16.98%**	**16.94%**

Source: Budget Schedule SA1

Findings:

1) Total budget for contracted services in Overstrand is 9.5 per cent of the total operating expenditure budget and it is high when compares against that in the Breede Valley and Mossel Bay budgets.

2) The high percentage in contracted services is due to outsourcing of maintenance work and the solid waste services by the municipality.

3) Total budgeted contracted services as a percentage of the total employee related costs in Overstrand however constitutes almost 28.66 per cent which is considered to relatively high.

Other Expenses

Other expenses constitute a significant (13.56%) part of the total operating expenditure budget and decrease by 13.26 per cent from the previous year.

Repairs and Maintenance

Table 16 Repairs and Maintenance

Description	Overstrand				Breede Valley				Mosselbay			
R thousand	2013/14 Current Year	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	2013/14 Current Year	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	2013/14 Current Year	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Budget	**883 459**	**962 399**	**1 039 942**	**1 096 676**	**867 304**	**814 032**	**844 140**	**844 470**	**883 459**	**904 424**	**927 389**	**965 803**
Repairs and Maintenace	154 795	162 097	187 315	196 335	45 828	70 758	74 341	78 168	39 814	41 511	42 430	44 885
Ratio	**17.5%**	**16.8%**	**18.0%**	**17.9%**	**5.3%**	**8.7%**	**8.8%**	**9.3%**	**4.5%**	**4.6%**	**4.6%**	**4.6%**
Employee related costs	35 728	40 369	43 349	46 548	–	–	–	–	–			
Other materials	12 854	12 890	14 918	15 382	45 828	43 452	47 445	51 786	7 917	8 281	8 637	9 090
Contracted Services	29 992	30 077	34 808	35 891	–	–	–	–	–	–	–	–
Other Expenditure	76 221	78 761	94 241	98 513		–	–	–	31 898	33 230	33 794	35 795
Total	**154 795**	**162 097**	**187 315**	**196 335**	**45 828**	**70 758**	**74 341**	**78 168**	**39 814**	**41 511**	**42 430**	**44 885**

Source: Budget Schedule SA1

Findings:

1) The analysis indicates that Overstrand Municipality has provided 16.8 per cent of its total budget to the repairs and maintenance which is well above the acceptable norm of 8 per cent. The municipality is commended for this strategy as it will prevent or curb the inventory losses ratio. The two other pairing municipalities (Breede Valley and Mossel Bay) have projected 8.7 per cent and 4.6 per cent respectively in this regard.

2) Overstrand Municipality also allocated the employee related costs of maintenance workers to repairs and maintenance in order to ensure that operating expenditure is not under stated.

D. THE CAPITAL EXPENDITURE BUDGET

Objective:

This part of the assessment checks how the capital budget is allocated and what it buys. The review is dependent on the detailed capital budget as per budget schedule SA36 and focus on the purpose of each capital project to highlight disparities for discussion.

Table 17 The Composition of the Capital Expenditure Budget

Vote	Category	Project	Values 2014/15	2015/16	Sum of 2016/15
300 - MINOR ASSETS	Furniture and other office equipm	300 - MINOR ASSETS	1 025	675	830
	Furniture and other office equipment Total		1 025	675	830
300 - MINOR ASSETS Total			1 025	675	830
Minor Assets: Library Grant	Furniture and other office equipm	Minor Assets: Library Grant	150		
	Furniture and other office equipment Total		150		
Minor Assets: Library Grant Total			150		
300 - INFORMATION & COMMUNICATION TEC	Computers - hardware/equipmen	Additional Disc Storage for DR Site (Onrus)	100		
	Computers - hardware/equipment Total		100		
300 - INFORMATION & COMMUNICATION TECHNOLOGY Total			100		
(blank)	Computers - hardware/equipmen	RF Network: Gansbaai Region Mast	250		
		RF Network: Hawston Mast	250		
		RF Network: Kleinmond Regional Mast	250		
	Computers - hardware/equipment Total		750		
	Other	Building of additional court for municipal matters	200		
		Bulk Sewerage main 200 mm Ø OHS13.3		1 000	0
		Bulk Sewerage Outfall Line 525 mm Ø OHS13.2	0	1 500	600
		Bulk Sewerage rising main 355 mm Ø OHS19.1		1 620	0
		Eluxolweni - New bulk sewerage for housing project	7 600	784	0
		Equipment for additonal court	250		
		Gansbaai - CBD Sewer network extension		3 000	3000
		Kleinmond - Sewer network extension		2 000	2000
		Kleinmond Library upgrade	2 000		
		MIG PMU Building	1 035		
		Stanford - Sewer network extension	2 000	2 000	0
		Upgrade existing sewerage pumpstation OHS19.2		750	0
		Upgrading of Kidbrooke Pipeline	2 900		
		Ward Specific Projects - Gansbaai	935		
		Ward Specific Projects - Hermanus	2 455		
	Other Total		19 375	12 654	5600
	Sportsfields & stadia	Overstrand sport facilities development project	100		
		Turf Soccerfield		2 000	2800
	Sportsfields & stadia Total		100	2 000	2800
	Social rental housing	Gansbaai project- 155 SITES	2 511		
		Hermanus Swartdamweg Institutional -320 SITES	6 774	6 800	
		Kleinmond Overhills	250	600	2000
		Mount Pleasant IRDP	474	4 100	
		Stanford IRDP	300	400	1000
		Zwelihle Garden site -77 SITES		1 400	
		Zwelihle Mandela Square -180 SITES		2 600	
		Zwelihle project -Transit camp/Asizani			2000
	Social rental housing Total		10 309	15 900	5000
	Roads, Pavements & Bridges	Rehabilitate roads - Angelier Street	0	0	500
		Rehabilitate roads and upgrade stormwater	300	3 500	1500
		Rehabilitation of existing Pave Road (LIC)	0	1 400	2000
		Upgrade and rehabilitate roads	4 650		
		Upgrade of Landa Road (Mandela Square)	450		
	Roads, Pavements & Bridges Total		5 400	4 900	4000
	Transmission & Reticulation	Blompark: Low Voltage upgrade	1 400	1 000	
		Electrification of low cost housing areas (INEP)	2 000	2 000	2000
		Gansbaai: Minisub and MV/LV upgrade	1 000	2 700	4000
		Hawston: LV Upgrade/Replacement	1 000	1 000	2000
		Hawston: See View feeder upgrade			300
		Hermanus: LV Upgrade/Replacement	2 100	6 000	4000
		Hermanus: Main Str to Royal 2nd supply feeder	1 500		
		Kleinmond: MV & LV network upgrade	2 500	2 000	3000
		Meer en See underground cable replacement			600
		Mount Pleasant Bundle replacement			1400
		Sandbaai: MV and LV Upgrade/Replacement			500
		Sandbaai-Mount Pleasant overhead line replacement			300
		Stanford: MV upgrade	600	1 200	
		Zwelihle to Beach overhead line replacement			400
	Transmission & Reticulation Total		12 100	15 900	18500
	Reticulation	160 mm Ø Link watermain OHW8.3		284	
		160 mm Ø link watermain OHW9.10		0	200
		160 mm Ø link watermain OHW9.9		490	
		200 mm Ø Bulk watermain OHW8.1		1 000	
		250 mm Ø Bulk watermain OHW.B14		520	
		Hawston: Bulk water			2000
		Hawston: Bulk water upgrade for housing project			1000
		New 500 mm -Water pipe line			1788
		Upgrading of "Die Oog" pump station building			500
		Upgrading of Franskraal-Kleinbaai -Gansbaai Pipelines		7 000	2500
		Upgrading of Gateway, Camphill and Volmoed Well Fields			2000
	Reticulation Total			9 294	9988
	Dams & Reservoirs	New 1 Ml/s Reservoir OHW.B31		2 800	
		New Bulk Water Reservoir -Sandbaai			5500
		Refurbish Buffels River Dam Bridge and Tower & Palmiet River Weir		2 000	
	Dams & Reservoirs Total			4 800	5500
	Sewerage purification	WWTW Upgrade - Stanford			1000
	Sewerage purification Total				1000
	Storm water	Upgrade Stromwater - Internal & External	800	1 000	1000
	Storm water Total		800	1 000	1000
(blank) Total			48 834	66 448	53388
300 - Property Services	Other	Extension of Thusong Centre		1 000	4000
	Other Total			1 000	4000
300 - Property Services Total				1 000	4000
400 - WARD SPECIFIC PROJECTS	Other	Ward Specific Projects - Kleinmond	500		
	Other Total		500		
400 - WARD SPECIFIC PROJECTS Total			500		
500 - SPORT & RECREATION	Sportsfields & stadia	Overhills:Kleinmond Soccer Field	2 939	939	
	Sportsfields & stadia Total		2 939	939	
500 - SPORT & RECREATION Total			2 939	939	
700 - HOUSING	Sportsfields & stadia	Sport Facilities			4000
	Sportsfields & stadia Total				4000
700 - HOUSING Total					4000
1000 - ROADS	Social rental housing	Hawston project - IRDP			2000
	Social rental housing Total				2000
1000 - ROADS Total					2000
1200 - ELECTRICITY	Transmission & Reticulation	Franskraal,Kleinbaai & Birkenhead: MV/LV and Minisub upgrade	4 900	2 600	
	Transmission & Reticulation Total		4 900	2 600	
1200 - ELECTRICITY Total			4 900	2 600	
1300 - WATER	Reticulation	Replacement of Overstrand water pipes	13 800	12 500	11000
	Reticulation Total		13 800	12 500	11000
1300 - WATER Total			13 800	12 500	11000
1400 - SEWERAGE	Other	Upgrading of pumpstations			2000
	Other Total				2000
1400 - SEWERAGE Total					2000
1400- STORMWATER	Storm water	Provision of stormwater system		1 000	
	Storm water Total			1 000	
1400- STORMWATER Total				1 000	
1500- WASTE MANAGEMENT	Waste Management	Karwyderskraal : New Waste Cell	10 200		
	Waste Management Total		10 200		
1500- WASTE MANAGEMENT Total			10 200		
300 - VEHICLES	Other	300 - VEHICLES	10 525	1 000	4000
	Other Total		10 525	1 000	4000
300 - VEHICLES Total			10 525	1 000	4000
Grand Total			92 973	86 162	81218

Source: PT generated based on SA36 of municipality

Findings:

1) The review indicates that 99.08 per cent of the capital budget consists of multi-year capital projects. This sort of planning is commendable as it will improve the supply chain processes.

2) The vote that received the biggest allocation is Vote 5(community Services) with the amount of R71.64 million for 2014/15, R66.66 and R58.72 million for the two

outer years. Community services consist of projects such Water, Sport and Recreation etc.

3) The second biggest allocation is Vote 7 (Infrastructure & Planning) with the amount of R20.49 million for 2014/15, R19.50 and 22.50 million for the two outer years. The Infrastructure & Planning consist of projects such as Electricity and Housing etc.

4) This clearly indicates that the municipal budget is responsive to the needs of its community and in line with the National Development Plan.

5) The current spending of the capital budget is 42.82 per cent of the adjustment budget as at 28 February 2014. However, this amount is expected to increase significantly as the municipality has made commitments amounting to R37.4 million on certain projects which will increase the capital expenditure to 72.3 per cent.

E. THE CAPITAL FUNDING BUDGET

Objective:

This part of the assessment checks how the capital budget is funded and reviews the funding options by analysing the main funding sources to highlight possible risks for discussion.

Findings:

1) **External Funding: Capital Grants**
   - The Municipality maintained a good spending pattern with conditional grants and spent the 95 per cent of the capital allocations for 2012/13.
   - Capital grants constitute 38.25 per cent of the total capital budget which indicates reliance of the municipality on capital grants.

2) **External Funding: Borrowings**
   - Borrowing still remains a significant funding source for the capital budget constituting an average of about 50.26 per cent of the total capital funding over the MTREF period.
   - The Municipality is reliant on borrowings over the MTREF as it will fund 54 per cent of the capital projects by means of borrowings. It is however noted that this in in line with the municipality's own strategies and which is strictly monitored by the management team.

3) **External Funding: Public Contributions and Donations**

Key Findings

- As per SA18, The municipality did not project for the External Funding: Public Contributions and Donations for 2014/15 financial year. An amount of R200 thousand was contributed by external funder (KCIH) for the current year and was a once off contribution.

4) **Internal Funding: Own Contributions from Cash Reserves**

Key Findings

- Internally generated funds for funding the capital budget, constitutes R10.01 million or 10.77 per cent of the total capital budget. This figure has been decreasing over the past three years which is a concern.

- The internal generated funds of Overstrand municipality are relatively low when compared it to other municipalities such as Mossel Bay, which has an amount of R77.64 million.

PART 5: THE FINANCIAL SUSTAINABILITY ASSESSMENT

Objective:

This part of the assessment checks if the annual budget of the municipality is cash funded to ensure implementation of the budget over the MTREF period.

A. OVERVIEW OF THE CURRENT CASH POSITION OF THE MUNICIPALITY

Objective:

This part of the assessment reviews the current cash flow position of the municipality which forms the base of the new annual budget.

Findings:

- The municipality reported a very good liquidity position with cash and cash equivalents of R74.36 million, which include cash at bank of R32.97 million as at 28 February 2014. The cash at bank was verified with the bank statement.
- The reported investments at the 28 February 2014 were not verified against a bank statement.
- The municipality also reported total outstanding long-term loans of R370.6 million as at the end of the 2nd quarter (31 December 2013).

B. REVIEW OF THE BORROWINGS

Objective:

This part of the assessment reviews the level of long term borrowings by the municipality and the impact on the future financial sustainability of the municipality.

Table 18 The status of borrowings at 31 December 2013

Start Date	Planned End Date	Term of loan	Debt raised at the Inception	Loan Institution	Type of interest	Timing of Interest Payment	Interest Rate per annum	Interest Paid This Quarter	Balance Begin of Quarter	epaid/Redeemed This Quarter	Balance at End of Quarter
2000/07/01	2020/06/30	20	5 967 849	DBSA	Variable (02)	Semi-annually (02)	7.89	89 002	2 198 682	157 049	2 041 633
1999/07/01	2020/06/30	21	5 432 000	DBSA	Variable (02)	Semi-annually (02)	7.89	77 531	1 915 303	136 807	1 778 496
2001/07/01	2020/12/31	20	4 954 139	DBSA	Variable (02)	Semi-annually (02)	7.59	76 199	1 955 582	130 372	1 825 210
1997/07/01	2017/03/31	20	1 207 638	DBSA	Fixed (01)	Semi-annually (02)	12.00		454 378		454 378
2007/07/01	2022/06/30	15	16 996 175	DBSA	Fixed (01)	Semi-annually (02)	9.86	641 250	12 895 092	456 452	12 438 640
2009/01/14	2024/01/14	15	40 000 000	ABSA	Fixed (01)	Semi-annually (02)	10.44		33 537 878		33 537 878
2009/04/20	2024/04/24	15	42 000 000	ABSA	Fixed (01)	Semi-annually (02)	10.82	1 968 980	36 295 746	893 400	35 402 346
2009/10/01	2024/10/01	15	70 000 000	ABSA	Fixed (01)	Semi-annually (02)	10.38	3 193 026	61 354 564	1 439 022	59 915 542
2011/03/30	2026/06/30	15	60 000 000	DBSA	Fixed (01)	Semi-annually (02)	10.92	2 864 009	52 000 000	2 000 000	50 000 000
2011/06/30	2026/06/30	15	100 000 000	DBSA	Fixed (01)	Semi-annually (02)	10.60	4 861 410	90 000 000		90 000 000
2012/04/20	2022/04/30	10	50 000 000	INCA	Fixed (01)	Semi-annually (02)	10.09	2 392 504	47 036 667	1 646 802	45 389 865
2013/05/24	2020/05/24	7	7 000 000	ABSA	Fixed (01)	Semi-annually (02)	7.92	279 478	7 000 000	381 648	6 618 352
2013/05/24	2028/05/24	15	31 700 000	ABSA	Fixed (01)	Semi-annually (02)	9.11	1 455 803	31 700 000	503 897	31 196 103
	Total							**17 899 192**	**378 343 892**	**7 745 449**	**370 598 443**

Source: Quarterly Borrowings Monitoring Return - Q2

Findings:

- The analysis indicates no risk with regards to borrowings and the municipality reported no defaults against current obligations and none was reported by any of the financial institutions during the year to date.

C. REVIEW OF INVESTMENTS

Objective:

This part of the assessment reviews the level of investments by the municipality and the impact on the future financial sustainability of the municipality.

Findings:

- The projected investments over the medium term seem realistic against the current performance and liquidity position of the municipality.
- The investments budgets are increasing year-on-year which is positive and allows the municipality to fund working capital requirements.
- No counterparty risk exists investments are made with approved financial institutions which are registered in terms of the Banks Act.

D. CASH FLOWS AGAINST BUDGETED REVENUES AND EXPENDITURE

Objective:

This part of the assessment reviews the annual cash flow budget of the municipality against the principles of completeness, reasonability, credibility and reliability and concludes if the cash projections are realistic or unrealistic.

Findings:

- The comparison of the budgeted revenue and expenditure with the projected cash flow receipts and payments indicates that the municipality used a cash realisation ration of almost 100 per cent in all cases which seems unrealistic but after discussion with the municipality is found to be credible as it is based on current and past performances.
- Whilst the municipality currently does not have any liquidity risks, the current cash flow budget is not a true reflection and distorts the budgeted information.
- The municipality should review the estimates and make adjustments where required.

E. THE APPLICATION OF CASH & INVESTMENTS

Objective:

This part of the assessment reviews the projected net cash position of the municipality to determine if the annual budget if cash funded or not.

Table 19 The Outstanding Cash Commitments Reconciliation

R thousand	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17
Cash and investments available			
Cash/cash equivalents at the year end	88 050	93 014	96 452
Other current investments > 90 days	–	–	–
Non current assets - Investments	22 207	27 825	33 508
Cash and investments available:	**110 257**	**120 839**	**129 960**
Application of cash and investments			
Unspent conditional transfers	–	–	–
Unspent borrowing	–	–	–
Statutory requirements	–	–	–
Other working capital requirements	(45 912)	(34 619)	(51 170)
Other provisions	–	–	–
Long term investments committed	22 207	27 825	33 508
Reserves to be backed by cash/investments	–	–	–
Total Application of cash and investments:	**(23 705)**	**(6 795)**	**(17 662)**
Surplus(shortfall)	**133 962**	**127 634**	**147 621**

Source: (A8 ResRecon)

Findings:

- The municipality projected a cash surplus after all cash commitments over the MTREF which indicates that the municipality's budget is cash funded.
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Overall conclusion

- The cash flow budget is realistic and the annual budget of the municipality is appropriately cash funded.

F. THE FUNDING COMPLIANCE ASSESSMENT

Objective:

This part of the assessment tests the credibility of the annual budget to determine if it can be implemented in its current form during the next financial year.

Table 20 Supporting Table SA10 Funding Measurement

Description	MFMA section	Current Year 2013/14	2013/14 Medium Term Revenue & Expenditure Framework			
		Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Comments
Funding measures						
Cash/cash equivalents at the year end - R'000	18(1)b	84 406	88 050	93 014	96 452	Positive but is before outstanding cash commitments.
Cash + investments at the yr end less applications - R'000	18(1)b	124 780	133 962	127 634	147 621	It's a positive cash back
Cash year end/monthly employee/supplier payments	18(1)b	1.6	1.6	1.5	1.5	Although higher than 1, it seems low and risky.
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(43 407)	(47 503)	(58 954)	(72 203)	Requires discussion on policy or strategy to fund depreciation.
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(6.0%)	2.6%	0.4%	(0.8%)	Indicating all tariffs are below the CPIX which is not recommended.
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	106.4%	98.7%	100.2%	98.5%	Acceptable and in line with current collection rate.
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	0.0%	0.0%	0.0%	The municipality don't provide for the debt impairment as their collection rate is 99%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	Not correct as the budget assumptions indicate 95%.
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	56.7%	70.5%	96.4%	90.3%	Significantly high and a risk. Indicating that the municipality has reached is prudent limits
Grants % of Govt. legislated/gazetted allocations	18(1)a		0.0%	0.0%	0.0%	
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	7.0%	(3.6%)	9.5%	Not credible
Long term receivables % change - incr(decr)	18(1)a	0.0%	(21.6%)	(21.3%)	(26.5%)	Significant decreases, require further details.
R&M % of Property Plant & Equipment	20(1)(vi)	5.0%	5.3%	6.2%	6.5%	Very low but challenges noted with costs allocation.
Asset renewal % of capital budget	20(1)(vi)	38.5%	0.0%	0.0%	0.0%	Below the NT guideline or norm

Source: SA10 Budget Schedule

Summary discussion on ratios which are out of norm:

- The positive cash balance is an indication that the municipality budget is cash backed and that the municipality has no liquidity problems.
- The borrowings receipt percentage of capital expenditure remains high indicating the heavy reliance on external loans.

SECTION 7: MAIN POINTS & RISKS

This section outlines the main points and risk based of the LG MTEC 3 Assessment.

Although the unemployment rate of 23 per cent is lower than the national statistics, it is still considered high in the municipal area which means that a segment of the population is not able to afford to pay for services. The municipality is encouraged continue providing more job opportunities via Local Economic Development with projects like EPWP as this will be in line with the National Development Plan.

Several challenges have been identified that might impede economic growth. It is noted that the LED Strategy is under review, which will likely zoom into those inhibiting factors.

The Integrated Waste Management Plan does not meet the requirement of the NEM:WA. The recommendations provided by DEA&DP should be factored in to make the plan fully compliant.

Certain operations and maintenance plans are still to be developed.

It appears that some attention needs to be given to infrastructure operations and maintenance insofar as some Standard Operating Procedures for water and sanitation have not been developed.

The dependency on borrowings over the MTREF also presents a risk in respect of the capital budget. To this end, the fact that borrowing is associated with interest bearing, it could significantly increase the actual cost of constructing assets relative to the type and lifetime of the assets.

The cash flow budget appears to be sustainable over the MTREF as the municipality budgeted for a 99 per cent collection rate which is realistic based on the current and past year performance. However, observations also indicate that there is an increase in long-term borrowings and the municipality has reached the ceiling in this regard.

Conclusion

After the detailed review and analysis of the annual budget of the municipality, Provincial Treasury is of the view that the 2014/15 MTREF budget is considered to be credible and sustainable.